MEDIA MONITORS
INCISIVE INSIGHT

Eastern Courier Messenger
Wednesday 20/5/2009
Page: 25
Section: General News
Region: Adelaide Circulation: 62,743
Type: Suburban
Size: 127.10 sq.cms.
Published: --W----

Brief: COTA

Self-funded also do well

THE RETIREE | EMILY CHARRISON

WEALTHY eastern retirees fared reasonably well in last week's Federal Budget despite initial fears, seniors groups and financial experts say.

The Federal Government did not proceed with an expected clampdown on eligibility for the seniors health card, which delivers cheap medicine to thousands of retirees.

Instead, higher-income pensioners will receive a $10.14 weekly boost for couples, while the quarterly seniors supplement for single self-funded retirees also will rise by $129, to $790.

However, some retirees who earn a private income will no longer be eligible for a part-pension under steeper taper rates, which cut the pension by 50 cents for every dollar over the income threshold of $138 a week for singles and $240 a week for couples.

Ian Yates

The change, from 40 cents in the dollar, starts on September 20 and will save $1.2 billion over the next four years.

Wealthy easterners also will have their tax break on superannuation contributions cut in half, and the 30 per cent tax rebate for private health insurance coverage now will be means-tested. Kent Town's RetireInvest financial adviser **Pam Gray** said the impact of the budget for higher income pensioners and self-funded retirees was "benign". "It's generally pretty positive," Ms Gray said.

"I think self-funded retirees were worried about not getting the seniors health care card but this hasn't happened."

Council on the Ageing chief executive **Ian Yates** said the budget would make a "marginal" difference to well-off retirees. "In terms of changes to the pension, singles and self-funded retirees actually got an increase," he said.

"On the other hand, the higher incomes ones will lose eventually some of their health insurance rebate but that cuts in at a pretty high level."

Copyright Agency Limited (CAL) licensed copy