



Media Release

The Hon Alan Griffin MP
Minister for Veterans' Affairs

VA010

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DEEMING RATES DROP AGAIN FOR VETERANS

Many veterans will benefit from the Australian Government's decision today to further reduce deeming rates.

Minister for Veterans' Affairs Alan Griffin said the deeming rate will drop from 3 per cent to 2 per cent for the first \$41,000 of a single pensioner's financial investments (\$68,200 for a couple). It will also reduce from 4 per cent to 3 per cent for the balance of financial investments over these amounts.

"The Government has taken action to reflect the unique economic environment Australians are facing, ensuring pensioners and social security recipients who rely on own-source income receive some financial relief," Mr Griffin said.

"The lower deeming rates will assist veterans during these difficult financial times."

The changes are effective from 20 March and will be included in payments made from 26 March 2009.

Department of Veterans' Affairs payments affected by the deeming rate include service pensions and the income support supplement.

This is the third reduction in the deeming rates since November 2008.

Deeming rates are now half what they were for much of last year and are at their lowest since 2004.

The lowering of the deeming rates means that part rate pensioners paid under the income test, with financial investments mainly in term deposits, shares, managed investments and other accounts, may receive an increase in their pension payments, to reflect the reduction in their assessable income.

Veterans already paid at the maximum rate are not affected by the deeming change.

The value of listed shares and securities will also be re-valued from 20 March.

The impact of these changes is dependent on the person's individual circumstances. **DVA pensioners who would like further information should contact the Department on 133 254.**

Media inquiries only: Laura Ryan 0437 863 109

The VVCS – Veterans and Veterans Families Counselling Service can be contacted 24 hours a day, seven days a week on **1800 011 046**.

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