

Exempt excess sale proceeds from the Age Pension means test for Home Care Package (HCP) recipients over 80, to support downsizing into age friendly homes.

Overview

- The housing needs of people change as they age. Data suggests that 45% of households receiving a pension or government allowance had two or more bedrooms spare, some of which may be surplus to need.
- Housing, which once might have been suitable, can become difficult to maintain and unsafe, due to changes to capacity and mobility.
- NSA surveys suggest as much as a third of older people are open to the idea of moving - 50% of respondents want housing that meets ageing needs, 43% want a smaller property and 40% are seeking lifestyle improvements.
- However, our research also shows the cost of moving and impacts on pension entitlements create barriers to moving to age-appropriate housing in later life.

WHAT ARE WE CALLING FOR?

- Excess proceeds from the sale of the family home (up to a cap) should be exempt from the Age Pension means test.
- The policy would be restricted to ensure it was targeted to those most in need. Eligible recipients should:
 - Be assessed as requiring a Home Care Package;
 - Be aged 80 or older
 - Have maintained their home as principle place of residence since reaching superannuation preservation age.
- The policy could require funds be placed into superannuation to boost private income.

Budget Impact

- The budget impact of this measure would be limited because many older people (80+) do not consider downsizing in later life and often continue living in their homes until they require residential aged care or pass away. People in this situation would receive the same level of pension if they were granted an exemption, which means there would be no cost for Treasury.
- Targeting the exemption will minimise impacts of people gaming the system to receive a benefit.

