



5 September 2006

PORTABILITY

WHAT IS PORTABILITY?

Portability refers to the payment of Australian income support payments to people who are overseas.

Portability of Australian social security payments is regulated by the *Social Security Act 1991*. It describes which payments are portable, for how long, at what rate, and any conditions that apply. Portability of Family Tax Benefits is regulated by the *A New Tax System (Family Assistance) Act 1999*.

PORTABILITY RULES

Since 1 July 2004, most income support payments can only be paid for a maximum of 13 weeks of any temporary absence from Australia. Some payments, such as Newstart Allowance can be paid only in specific circumstances .

The Government believes that it is not appropriate for taxpayers to subsidise a person of workforce age to stay overseas for prolonged periods. Rather, the Government is committed to improving opportunities for all Australians of working age to engage in activities that will enable them to participate fully in the economic and social life of Australia. This commitment recognises the principle of mutual obligation.

ARE THERE ANY EXCEPTIONS TO THESE RULES?

There are a number of exceptions to the usual portability rules.

- Age pensions are portable indefinitely. (for the rate payable please refer to “How much can be paid” section below)
- Australia has a number of International Social Security Agreements that regulate reciprocal portability of benefits between Australia and agreement countries¹. These agreements override the portability rules in domestic

¹ As at August 2006, agreement countries are: Austria, Belgium, Canada, Chile, Croatia, Cyprus, Denmark, Germany, Ireland, Italy, Malta, The Netherlands, New Zealand, Portugal, Spain, Slovenia and the United States of America.

law and may allow for the continuing payment of specific pensions when a customer departs Australia for an agreement country.

- These agreements have been established to share the long-term costs of social security coverage for people who move between Australia and the other country, broadly according to the time individuals have lived in each country.
- Severely disabled, terminally ill persons receiving the Disability Support Pension (DSP) may continue to receive DSP beyond thirteen weeks if they go permanently overseas to be with or near their family or to return to their country of origin.
- Extension of portability beyond 13 weeks is allowed under social security law if a person cannot return to Australia due to specific circumstances beyond their control.

HOW MUCH CAN BE PAID?

Age Pensions, after an absence from Australia of 26 weeks, is adjusted to reflect the actual Australian Working Life Residence (AWLR) of the pensioner. The full rate will continue to be paid to those who have at least 25 years of AWLR. AWLR is defined in social security law as the period between 16 and Age Pension age (currently 63 years for women and 65 years for men).

After 26 weeks absence, age pensioners with less than 25 years AWLR are paid a proportional pension rate based on their actual AWLR. For example, a person with 20 years AWLR would receive 20/25 of the full rate.

Additional payments such as Rent Assistance or Pharmaceutical Allowance are not normally payable after 13 weeks absence – or 26 weeks absence for recipients of age pensions and certain categories of wife and widow pensions.

All income support recipients going overseas are required to contact Centrelink before departure.