

# Superannuation / insurance and Centrelink

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**A super or insurance benefit might affect your Centrelink entitlements depending on whether the benefit is paid as a lump sum or a pension.**

## **Will a Super payout affect my Centrelink?**

Super lump sum payouts are not treated as income. However, a super lump sum payout will be included in your Centrelink Assets Test. If you keep the money in a super fund it will not be included in your assets until you reach retirement age.

## **What about Super pensions?**

Super pensions are usually treated as income and may reduce your Centrelink payments. However, super pensions which are paid out as lump sums may be included in the Assets Test and not as income.

## **Will my insurance payout affect my Centrelink?**

Insurance lump sums for disability or death are included in your Assets Test when paid to you.

However, some insurance lump sums with investment components are deemed to be income when received and may reduce your Centrelink payments.

## **What about my Insurance Income Protection payments?**

Income protection payments are usually treated as income and may reduce your Centrelink payments.

Income protection payments paid out as lump sums may be included in the Assets Test and not as income.

## **Important note**

Before you get a super or insurance payout, you should speak to a Financial Information Services (FIS) Officer from the Department of Human Services (DHS) and get advice about how the payout might affect your Centrelink benefits.

There can also be tax implications of a super or insurance payout. You should check with your financial advisor.

## **Need help?**

Many people don't know they can claim disability benefits from their super or insurance.

If your work is cut short because of blood cancer, you may not have enough super to live off. Any extra disability benefits will help a lot.

**Call Maurice Blackburn on the Disability Helpline  
1800 196 050 for free legal advice.**

This brochure was prepared in February 2017. It is a general guide to legal, superannuation and financial issues and is not a substitute for professional advice.

**For more information, please contact us:**

 **1800 196 050**

 **mauriceblackburn.com.au**

