

Media Release

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**Minister for Families, Housing, Community Services
and Indigenous Affairs**

Clearer pension rules for household solar energy panels

The Australian Government has taken steps to make feeding power into the grid simpler and fairer for pensioners.

The Government has clarified the way feed-in tariffs from household solar panels are assessed for the purposes of the pension income test

Feed-in tariffs that are paid to pensioners as a credit on an electricity bill will not be assessed as income under the pension income test.

The use of credits to reduce the total of a pensioner's electricity bill is the way most state and territory feed-in tariff schemes work.

Power sold back to the grid in return for cash, cheque or a direct deposit is counted as income for social security purposes.

This is consistent with the long standing pension rules where private income needs to be reported, whether income is derived from rent, superannuation or other sources.

A social security system without declaring private income would not be sustainable, responsible or fair.

The Government has taken this step to make the system clearer and fairer in response to pensioners' concerns about the way the pre-existing income test rules apply to feed-in tariffs on solar energy.

Single pensioners are able to earn up to \$142 a fortnight without affecting the amount of pension they receive and couples combined can earn up to \$248 a fortnight without affecting the amount of pension they receive.

When cash payments from feed-in tariffs are reported to Centrelink they will be assessed as income over a 12 month period.

For example, if a pensioner receives a cheque from their electricity company for \$260 it would be

counted as \$10 of income per fortnight over 26 fortnights.

The Commonwealth, state and territory governments already offer assistance with the installation costs of solar panels and that assistance is not assessed for the income test.

Simplifying the assessment arrangements under the pension income test, is another way the Australian Government is supporting and encouraging pensioners to be green.

In the last year, the Government has delivered an increase to the pension of over \$100 a fortnight for singles and \$74 for couples.

Pensioners should contact Centrelink to discuss their particular circumstances.

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