



Rights and Obligations

The things you do not need to tell us about

Overview

This Factsheet explains the sorts of things you do not need to tell DVA about. This is because the changes in your circumstances are either unlikely to affect your pension, or because we already know about the changes.

What are obligations and who do they apply to?

The *Veterans' Entitlements Act 1986* requires that service pension and income support supplement (ISS) recipients and claimants, as well as holders of Commonwealth Seniors Health Cards, be notified of their obligations in relation to their pension or benefit. These obligations require them to advise DVA within 14 days (28 days if you live overseas or receive remote area allowance) of an event or change of circumstance that might affect their rate of pension or their eligibility to receive that pension. It is important for DVA to be kept advised of a person's circumstances to make sure payment is made at the right rate, from the right date.

The obligations apply to:

- service pensioners and ISS recipients;
- agents and trustees of service pensioners or recipients of ISS;
- service pension and ISS claimants;
- people who have requested reviews of service pension or ISS either by the Repatriation Commission or by the Administrative Appeals Tribunal;
- people in receipt of fringe benefits or service pension treatment benefits; *and*
- holders of Commonwealth Seniors Health Cards.

When you are granted an income support pension, and periodically after that, you will be notified of your obligations. These obligations apply equally to trustees.

Usually an overpayment of pension will not occur when you have met your obligations. However, sometimes even if you have met your obligations, an overpayment can occur because we have not been able to process the change before the next payday. We do our best to avoid this occurring, but it is not always possible. To provide you with your exact entitlement we are obliged to recover overpayments of pension where they do occur.

The things you do not need to tell us about, *continued*

Automatic updates

Because some changes that can affect the rate of pension payable occur regularly, DVA monitors them and automatically does any necessary reassessments of pension. You do not need to tell us about these changes.

The automatic updates include:

- Foreign Pensions
 - British pensions. The exchange rate used to convert British pensions into Australian dollars is the 'on demand airmail buying rate' as supplied by the Commonwealth Bank. DVA monitors the exchange rates on a daily basis, and adjusts the exchange rate if the average in any given fortnight varies by plus or minus 2.5% from the base exchange rate. The updated exchange rate is applied immediately to all British income.
 - British public service pension and armed forces pension. These two types of pensions are indexed automatically by DVA every year, which means you don't have to tell us when they are updated or increased.
 - Other foreign pensions. The exchange rates used to convert the gross rate of other overseas pensions into Australian dollars are the 'telegraphic transfer buying rates' as supplied by the Commonwealth Bank. For infrequently traded currencies not available from the Commonwealth Bank, DVA obtains an appropriate exchange rate from overseas currency sites on the internet. Exchange rates are obtained every second Friday on the off pension pay week for all non-British overseas pensions and annuities.
 - Exchange Rates. Unless you want a reassessment of the exchange rate, you don't have to tell us about exchange rate fluctuations. We will update exchange rates when any of the following occur:
 - statutory increases in March and September each year (automatic bulk update)
 - a person asks for a reassessment
 - a change is notified for an overseas pension
 - a change is notified for any managed investment or share.
- ComSuper, Defence Forces Retirement and Death Benefit, and State Government superannuation, provided you have told us that you are receiving such a pension or benefit. Each year DVA receives advice of increases in these pensions/benefits related to movements in the Consumer Price Index, and automatically reassesses your pension.
- Shares and managed investments. Every March and September we update the value of all your shares that are listed on the Australian Stock Exchange with the most recent last sale price. At the same time all unit-based investments are updated with the most recent buy back price. We also update your share and unit holdings following a company or investment name change, merger, takeover or restructure. This means that you do not need to tell us if the last sale price of your listed shares or the unit buy back price of your unit based investments varies.
- Property and business valuations. If your pension is paid under the assets test, or if your assets (including assets that you have given away) are within \$10,000 of the amount which means your pension would be assessed under the assets test, we update the value of any business, farm or other property each year. Up to date valuations are provided by Australian Valuation Office and applied to the assessment of pension each July.

The things you do not need to tell us about, *continued*

Interest rates and deeming

Deeming is the method we use to calculate income from your financial assets, for example bank accounts. Deeming assumes that any money you have invested in financial assets is earning a particular amount of income regardless of the actual amount earned (Refer to *Factsheet IS89 Deeming and Financial Assets*).

The deeming rates are monitored to ensure they reflect appropriate rates of return. Any changes to the deeming rates are made in March and September when pensions are indexed.

Because we deem income from your financial assets you *do not* need to tell us about any interest rate changes.

Other things you do not need to tell us

If you receive the maximum rate of pension, examples of the sorts of things you do not need to tell us about are:

- changing your car;
- paying household bills;
- gifts to family and friends amounting to less than a total of \$10,000 in a financial year or less than a total of \$30,000 in a rolling 5 year period;
- holiday expenses;
- visitors staying with you; *or*
- reductions in your income or the value of your assets.

If you receive a reduced rate of pension, examples of the sort of things you do not need to tell us about are:

- paying household bills;
- visitors staying with you;
- your financial account balances change by less than \$1,733 if you are single and have financial assets of less than \$44,600;
- your financial account balances change by less than \$1,156 if you are single and have financial assets of more than \$44,600;
- your financial account balances change by less than \$3,467 if you are a couple with financial assets of less than \$74,400;
- your financial account balances change by less than \$2,311 if you are a couple with financial assets of more than \$74,400;
- you are assessed under the assets test and any variations in your income are below your prescribed income amount (please refer to our last letter to you); *or*
- you are assessed under the income test and any increases in your assets do not exceed the asset value limit (refer to *Factsheet IS88 Asset Test Overview*).

The things you do not need to tell us about, *continued*

Disclaimer

The information contained in this Factsheet is general in nature and does not take into account individual circumstances. You should not make important decisions, such as those that affect your financial or lifestyle position, e.g. retirement, on the basis of information contained in this Factsheet. Where you are required to lodge a written claim for a benefit, you must take full responsibility for your decisions prior to the written claim being determined. You should seek confirmation in writing of any oral advice you receive from DVA relating to complex or important matters.

Other Factsheets

Other Factsheets related to this topic include:

- *IS89 Deeming and Financial Assets*
- *IS87 Income Test Overview*
- *IS88 Asset Test Overview*
- *IS92 Giving Away Income or Assets*
- *IS137 The things you need to tell us about.*

More information

All DVA Factsheets are available from DVA offices, and on the DVA website at www.dva.gov.au.

You can phone DVA for the cost of a local call on 133 254 or 1800 555 254 for country callers.

Use a normal landline phone if you can. Mobile phone calls may cost you more.

You can send an email to DVA at: generalenquiries@dva.gov.au.

You can get more help from any DVA office.