

Social Security – Disability Support Pension (DSP)

The Disability Support Pension (DSP) is a payment from Centrelink that provides financial support to people who have a physical, intellectual, or psychiatric condition that stops them from working.

How it works

To qualify for the DSP, you must be over age 16 and have a physical, intellectual or psychiatric impairment that results in you being unable to work for 15 hours or more each week (at or above the relevant minimum wage) within the next two years or you are permanently blind. You must have also actively participated in, or completed, a Program of Support if required.

To assess your eligibility for DSP, Centrelink may require a report from your doctor or specialist about your disability, injury or illness. You may also need to have a Job Capacity Assessment which is a way of finding out if you can work, how much work you can do and whether you need to help find and keep a job.

DSP payments are made fortnightly and can be paid directly into a savings account, such as a bank, building society or credit union account.

Residence requirements

The residency requirements generally require you to have been an Australian resident for at least 10 years. You must generally be an Australian resident living in Australia when you lodge the claim.

The residency rules and requirements may be different if you are covered by certain International Social Security Agreements. International agreements are complex and it is important that you seek guidance from Centrelink if you are intending to apply under the terms of an international agreement.

DSP payment rates

Payment rates increase every 20 March and 20 September for those 21 years of age and over, or under 21 years of age with children. The rates are updated on 1 January of each year for those under 21 years of age without children. You should refer to the Centrelink website at www.servicessaustralia.gov.au for the latest payment rates.

The rate payable will depend on whether you are single or a member of a couple and your means test assessment. This payment may also include a pension supplement and an energy supplement.

Income and assets tests

The amount of DSP you get is subject to two separate assessments – an assets test and an income test. Centrelink applies both tests to your situation and the test that results in the lower rate of DSP is the one that is applied. If you are permanently blind, you may not be subject to the income or assets test.

Pensioner Concession Card (PCC)

If you are eligible for the DSP, you will also be entitled to a Pensioner Concession Card (PCC) to help reduce your expenses.

The PCC gives you access to a range of discounted medical services funded by the government including cheaper prescription medicines through the Pharmaceutical Benefits Scheme (PBS). Doctors may bulk bill if you hold this card and you may also receive some concession through your state, territory or local

government. The range of concessions will vary depending on where you live and you should check www.servicessaustralia.gov.au for more information.

Benefits

These may include:

- The DSP provides a regular income stream to improve your cash flow.
- Your assets may last longer, because the increased cash flow means you will have less need to draw on your personal investments.
- You will be entitled to a concession card to reduce the cost of some expenses (such as reduced cost medicines).
- Other benefits, such as Rent Assistance, may also be payable.

Risks, consequences and other important things to consider

These include:

- If you are permanently blind you may not be subject to the assets and income test and can receive the full DSP.
- The DSP is taxable income for people of Age Pension age however you may be eligible for offsets to help reduce your tax liability.
- The DSP is tax-free income for people below Age Pension age.
- Payments may be affected if you go overseas for extended periods of time. You should check details with Centrelink before leaving the country.
- You are required to tell Centrelink within 14 days about any change in your circumstances that may affect your payment. If you don't and you receive an overpayment, you will be required to pay this amount back.

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