

12 Things to consider if you receive a National Redress Scheme or other compensation payment

This fact sheet will help you understand how an National Redress Scheme, or other compensation payment, may affect your situation.

Protected payments

Payments from the National Redress Scheme are protected from Commonwealth Government Debt Recovery processes (such as Centrelink and tax debts, Child Support and HECS-HELP debts) and State Government debt recovery (such as fines).

Bank account

It is important that you open a new fee-free bank account in your own name for the money to be paid into. This will allow the banks to clearly identify the National Redress Scheme payment and give it the protections it's entitled to.

Centrelink recipients

Notifying Centrelink

Centrelink requires notification of lump sums being paid into your bank account. The NRS payment should be recorded by Centrelink as an 'exempt lump sum', also known as an 'excluded amount'.

As the money is spent, you should let Centrelink know that the balance in your bank account has decreased.

Centrelink assets test

National Redress Scheme payments are assessed under the assets test. Centrelink have an assets test and your Centrelink payment can be reduced if your assets are over the limit. Asset limits are set depending on your Centrelink payment, relationship status and if you own or rent your home.

Centrelink gifting rules

Centrelink limits the amount that can be given away to \$10,000 per year – and no more than \$30,000 over 5 years – before it may affect Centrelink payments.

Centrelink deeming

Centrelink assumes that any money or investments earn a set amount of interest. This is referred to as deemed income. Deemed income will be calculated on NRS payments, as well as other financial assets.

More information on deeming can be found at www.servicesaustralia.gov.au

Centrelink liquid assets waiting period

If you apply for a new payment of Jobseeker, Austudy or Youth Allowance after accepting an NRS payment it will be counted in the liquid assets waiting period and you may have to wait up to 13 weeks before your new Centrelink payment starts.

Public housing

National Redress Scheme payments are generally exempt from assets tests for social and public housing.

Interest earned or deemed income will be counted as income by your housing provider. This means that rent you pay for public or social housing may increase.

To find out if your payment will be exempt, ask your housing provider.

Tax

NRS payments are not taxable. Interest earned on NRS payments may be taxable.

NDIS

NRS payments do not affect NDIS.

Debts or fines

There are some protections for NRS payments, but any debts or fines should be dealt with before you accept an NRS payment. A financial counsellor can help you with this.

Aged care

The National Redress Scheme payment is considered an asset by Aged Care Services and this can result in recipients having to pay extra fees.

More information on this can be found at www.myagedcare.gov.au

Prison

People in prison who receive an NRS payment may have limitations in accessing the payment. Each prison and bank have different rules about accessing money from prison.

If you accept a NRS payment while in prison, and intend to claim a Centrelink payment on release, you may be impacted by Centrelink's liquid assets waiting period.

Other compensation payments

You should speak with a financial counsellor to understand how other compensation payments might affect your financial situation.

Tasmanian Helplines

Advocacy Tasmania

1800 005 131

www.advocacytasmania.org.au

Financial counselling contacts

Anglicare Tasmania Financial Counselling Service

www.Anglicare-tas.org.au

Call the national helpline on 1800 007 007 and you will be transferred to a Financial Counsellor in Tasmania. This is a free phone-based financial counselling service. You can make an appointment to meet an Anglicare Financial Counsellor in person.

Knowmore Financial counsellors

1800 605 762

Mob Strong Debt Help

1800 808 488

www.financialrights.org.au/mob-strong-debt-help

Free advice about money matters for Aboriginal and Torres Strait Islander peoples.

About TasVOCAL

TasVOCAL provides free and independent legal advice and support for survivors of child sexual abuse.

How to contact **TasVOCAL**

- Visit: www.legalaid.tas.gov.au
- Free call: **1300 366 611** ask for **TasVOCAL**
- Email: TasVOCAL@legalaid.tas.gov.au

Disclaimer

This fact sheet should not be used as substitute for legal advice. No responsibility is accepted for any loss, damage or injury, financial or otherwise, suffered by any person acting or relying on the information contained within this fact sheet, or omitted from it. You should seek legal advice about your own particular circumstances.

Tasmania Legal Aid acknowledges and pays our respect to the Palawa/Tasmanian Aboriginal people as the Traditional Custodians of the land and waters of Lutruwita/Tasmania, where we live and work.

Need legal help?

Freecall, chat online or visit us
Monday to Friday, 9am – 5pm



1300 366 611 Ask for **TasVOCAL**



tasvocal@legalaid.tas.gov.au



www.legalaid.tas.gov.au



HOBART
LAUNCESTON
BURNIE
DEVONPORT

Tasmania
Legal Aid