



**Social
Security
Rights
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INCOME PROTECTION INSURANCE PAYMENTS

THIS FACT SHEET IS FOR:

This fact sheet is for people who have applied for or are eligible for Income Protection Insurance payments and who are also receiving or will apply to receive Centrelink payments.

What Is Income Protection Insurance?

Income Protection Insurance replaces the income lost through your inability to work due to injury or sickness. Often, you will have Income Protection Insurance offered through your superannuation scheme.

If I receive Income Protection Insurance payments, how will this affect my Centrelink payment?

If you receive income whilst also receiving a payment from Centrelink, the amount of income you receive will affect your Centrelink payment.

Income Protection payments are deemed to be part of your 'ordinary income'. That means that any payments you receive from your insurance, or from any other income you might receive, are added together by Centrelink to assess whether you are eligible for any payments. If your level of ordinary income is higher than the fortnightly payments provided by Centrelink you will not be eligible for any payments.

You can get more information on how income affects your Centrelink payments on this fact sheet which you can look at online here: <https://www.brq.org.au/assets/Uploads/1FactSheets2016/BRQ-IncomeManagement-ReportingIncome.pdf>

Are Income Protection Insurance payments different to 'compensation' payments?

Centrelink have specific rules for how compensation payments are treated. 'Compensation' under social security law, usually refers to payments from bodies like Workcover or the Transport Accident Commission.

You can get more information about how compensation payments affect Centrelink entitlements on the SSRV website.

Income Protection payments are NOT compensation for Centrelink purposes and don't have the same effect on your Centrelink payments.

Should I report my Income Protection payments to Centrelink?

You should notify Centrelink as soon as you start receiving Income Protection Insurance payments. You will likely then have to report the amounts you receive each fortnight.



What if Centrelink is refusing to pay me or I think they have made a mistake?

If you believe Centrelink have made a mistake due to the fact you received Income Protection Insurance payments, you should seek advice from an expert.

If you are in Victoria, you can contact Social Security Rights Victoria on (03) 9481 0355 or info@ssrv.org.au

How do I appeal a decision?

You should tell Centrelink as soon as possible if you want to appeal a decision they have made. You should appeal a decision made by Centrelink with which you disagree within 13 weeks of being notified of their decision in order to receive maximum back pay. You will only receive back pay if you are successful in your appeal.

The first step is to write a letter or just tell a Centrelink officer in person at a Centrelink office or over the phone that you want to appeal the decision and have an Authorised Review Officer review the Centrelink decision.

SSRV recommends putting your appeal in writing and keeping a copy of this appeal for your records. This will make it easier for you in the future if you need to appeal the Authorised Review Officer's decision and have it escalated and appeal to the Administrative Appeals Tribunal.

You should outline why you believe Centrelink has made a mistake.

If you are unhappy with the initial response to your appeal, you may be able to apply to the Social Services and Child Support Division of Administrative Appeals Tribunal. It is best to contact SSRV to get a better understanding of your rights in this process.

This fact sheet contains general information only. It does not constitute legal advice. If you need legal advice, please contact SSRV on either 94810355 or www.ssrv.org.au. SSRV is a community legal centre which specialises in social security law, administration and policy. SSRV is independent of Centrelink and all assistance is free.

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