

FACT SHEET

Gifting of Assets

This fact sheet gives you information about gifting of assets.

Who should read this fact sheet?

If you have an application for housing assistance and you or a member of your household has gifted assets you should continue reading.

What is gifting of assets?

Gifting is a term used when a person gives away assets. Gifting occurs when assets are transferred for less than the market value and the person does not receive adequate consideration for the gift or transfer in the form of money, goods or services.

What is considered an asset?

An asset is any property or item of value that you or member of your household own or has an interest in, including those held outside Australia. The value of the asset is what would be received for them if they were sold. Generally, any debt secured against an asset is deducted from the value of that asset. The following are classified as liquid assets:

- cash,
- savings,
- shares, bonds and investments,
- lump sum payments,
- net fixed assets of a business,
- superannuation funds that have been realised, and/or
- real estate.



What assets are not included?

Payments excluded from financial assets eligibility include:

- criminal injury compensation payments,
- ex-gratia payments made to victims of abuse in state care,
- Federal government one-off payment of \$25,000 to widows of surviving Australian servicemen who were taken prisoner by Korean forces during the Korean conflict, or
- assets such as cars, small boats, paintings and jewellery.

Superannuation

Applicants for social housing properties with money invested in superannuation often exceed the assets level and as such would be ineligible for assistance. However, often applicants are in receipt of a Commonwealth benefit and unable to access their superannuation funds. Funds invested in roll over superannuation funds are excluded from the assets eligibility limit until the monies are realised.

What is not gifting?

Giftng does not include the selling or reducing of assets to meet normal expenses, for example to buy consumer goods like a fridge or washing machine, for home maintenance/improvements, or to pay for holidays. It does not include payment for services received, e.g. lawn mowing.

Penalties that may apply

Where it has been identified that gifting has occurred, and the amount would have taken you over the threshold for allocating a property, you will incur a six month suspension to your application for a social housing property. The rationale for this aims to address the inequality created from the gifting of assets.

At the end of the suspension period, if Centrelink are still reducing your income, you will have your income deemed to what it should have been if you hadn't gifted assets for the purposes of rent setting.

Discretion

Discretion can be applied to wave the suspension where there has been extenuating circumstances as to why gifting was necessary.



Our contact details



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TTY users phone 133 677, then ask for 1300 13 55 13.
Speak and Listen users phone 1300 555 727 then ask for
1300 13 55 13. Internet relay users connect to the NRS
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