

Fact Sheet – Creation of the JobSeeker Payment

What is happening with JobSeeker Payment?

- On 20 March 2020, JobSeeker Payment replaced Newstart Allowance as the main working age payment for those aged 22 years to Age Pension age who have capacity to work now or in the near future.

Changes from 20 March 2020

- From 20 March 2020, people who would have previously claimed Newstart Allowance, Bereavement Allowance or Sickness Allowance now claim JobSeeker Payment.
- JobSeeker Payment has the same basic qualification, payability and means testing rules as Newstart Allowance.
- JobSeeker Payment is broader in scope to include access for people who are sick or injured temporarily but who are unable to work or study rather than having them shift onto a different payment.
- On 20 March 2020, recipients of certain current income support payments were automatically transfer to JobSeeker Payment:
 - Newstart Allowance;
 - Wife Pension recipients who lived in Australia, were under Age Pension age and did not receive Carer Allowance;
 - Sickness Allowance recipients who require ongoing help when their medical certificate expires after 20 March 2020 will be supported by Services Australia (Centrelink), including through attending a transition appointment, as part of their transfer to JobSeeker Payment.
- All recipients transferred to JobSeeker Payment on 20 March 2020 continued to receive the same payment rate.
 - Wife Pension recipients transferred to JobSeeker Payment received a transition rate based on the maximum Wife Pension rate as at 19 March 2020.
 - This rate will not be indexed until the rate of JobSeeker Payment equals or exceeds the transition rate of Wife Pension.
- JobSeeker Payment recipients still receive Energy Supplement and maintain their eligibility for other supplementary payments.
- Unless exempted, all JobSeeker Payment recipients are subject to the same mutual obligation requirements that applied under Newstart Allowance. JobSeeker Payment recipients may be referred to employment services providers for assistance. These providers negotiate a Job Plan with these recipients that set out their mutual obligation requirements.

- These requirements generally include looking for work, or participating in other activities to help people become job ready.
- If a recipient is temporarily unable to meet their requirements, they may be granted a temporary exemption. Exemptions recognise that job seekers can face unexpected family or personal situations that prevent them from participating in job search, paid work, Work for the Dole, vocational training or a range of other activities designed to improve their employment prospects.
- In addition to the temporary exemptions from mutual obligation requirements that applied under Newstart Allowance, specific exemptions have been created under JobSeeker Payment for people who:
 - are recently bereaved following the death of a partner,
 - would have otherwise qualified for Widow Allowance had it not closed in July 2018.
- Wife Pension recipients who transferred to JobSeeker Payment have mutual obligation requirements for the first time.
 - Consistent with the Government's policy that people should support themselves to the greatest extent possible, Wife Pension recipients of working age were transferred to JobSeeker Payment, where not eligible for other payments such as Carer Payment.
 - They will receive assistance to find work through jobactive, the Community Development Program or Disability Employment Services while on JobSeeker Payment.

Payment Background:

- The creation of the JobSeeker Payment is part of a reform of working age income support payments.
- As part of this reform, seven payments are being progressively ceased, including Newstart Allowance, Wife Pension, Bereavement Allowance, Sickness Allowance, Widow B Pension, Widow Allowance and Partner Allowance.
- There is now one set of rules for working age Australians with a capacity to work and are eligible for income support payments.

Cameos:

1. Ben (Claims JobSeeker Payment with a temporary incapacity due to injury)

- Ben is 46 years old and on 30 March 2020 he becomes temporarily unable to work in his normal job as a self-employed piano tuner. He sees a doctor on 31 March 2020 who provides a medical certificate confirming that he will be incapacitated to work in his usual job for eight weeks.
- Ben puts in a claim for JobSeeker Payment on 1 April 2020. Ben's application is assessed and granted.
- Ben receives the JobSeeker Payment (including Energy Supplement and Pharmaceutical Allowance) from the date of the medical certificate (31 March 2020). He may also receive other payments, such as Rent Assistance depending on his circumstances. Ben will continue to receive the payments until the period covered by his 8-week medical certificate ends.
- Ben does not have any mutual obligation requirements during this 8-week period as he is given an exemption due to his temporary incapacity. Ben is required to report his income, including nil income, during this period.
- At the end of the 8-week period, if Ben is still unable to work he will need to provide another medical certificate to continue to be exempt from mutual obligation requirements. However, if Ben is able to re-commence work in his usual job, he will no longer receive JobSeeker Payment.

2. Claire (Claims JobSeeker Payment when she becomes unemployed)

- Claire is 32 years old and loses her casual job at a café when it closes down on 30 June 2020.
- Claire puts in a claim for JobSeeker Payment on 7 July 2020. Claire's application is assessed and granted, with payment to commence from 21 July 2020, one week after she attended a participation interview and has served her one-week ordinary waiting period. As part of the interview, an appointment with an employment service provider is booked for 25 July 2020.
- Claire receives the JobSeeker Payment (including Energy Supplement) from 21 July 2020. She attends her appointment with her employment service provider to agree a Job Plan which sets out her mutual obligation requirements. Claire reports her activities and income on an ongoing basis to continue receiving her fortnightly payments.

3. Jane (Claims JobSeeker Payment and has circumstances that would have made her eligible for Widow Allowance had it not ceased)

- Jane was born on 1 January 1955 and has separated from her partner during 2019. She had no recent workforce experience.
- Jane puts in a claim for JobSeeker Payment on 17 May 2020. Jane's application is assessed and granted. Because Jane's age would have made her eligible for Widow Allowance had it not ceased in July 2018, she is granted an exemption from mutual obligation requirements.
- If Jane remains on JobSeeker Payment, she will be able to transfer to the Age Pension on 1 January 2021, when she reaches the Age Pension eligibility age (66 years for

persons born between 1 January 1954 and 30 June 1955), provided she also satisfies the residency requirements.

4. Suki (Claims JobSeeker Payment and partner has recently died)

- Suki contacts Services Australia (Centrelink) after her partner dies on 6 June 2020.
- Suki is unemployed and is eligible to receive bereavement assistance through JobSeeker Payment.
- Suki receives the maximum single rate of JobSeeker Payment and is eligible for a upfront lump sum bereavement payment.
- Suki is paid JobSeeker Payment for the 14 week bereavement period and receives an upfront lump sum in her first fortnightly entitlement period after notifying of her partner's death.
- Suki is also exempt from her mutual obligation requirements for the bereavement period.
- As Suki still requires income support at the end of the bereavement period, she remains on JobSeeker Payment and has mutual obligation requirements.