

Fact Sheet – Cessation of Widow Allowance

What is happening with Widow Allowance?

- Widow Allowance was closed to new entrants on 1 July 2018 and will cease completely on 1 January 2022.
- Those already receiving Widow Allowance on 1 July 2018 will continue to receive the payment as long as they remain eligible, or until Widow Allowance ceases on 1 January 2022.
- From 1 July 2018, women who are under Age Pension age and who would have otherwise claimed Widow Allowance are required to claim Newstart Allowance (or JobSeeker Payment from 20 March 2020) instead.
 - These recipients will receive the same amount of payment on Newstart Allowance/JobSeeker Payment that they would have received on Widow Allowance, and will be exempt from mutual obligation requirements.
- Once these recipients reach Age Pension age they will transfer to Age Pension, provided they meet the Age Pension residency requirements.
 - Those who do not meet Age Pension residency requirements may be able to claim Special Benefit.

Changes from 20 March 2020

- All Newstart Allowance recipients who have a Widow Allowance mutual obligation exemption maintained this exemption when they transferred to JobSeeker Payment.
- There were no changes for current Widow Allowance recipients on 20 March 2020.

Changes from 1 January 2022

- All remaining recipients of Widow Allowance will automatically transfer to the Age Pension, because they reach Age Pension qualification age on this date. Around 400 of these recipients who would not be residentially qualified for the Age Pension will be granted a one-off exemption from the requirements.

Payment Background:

- Widow Allowance is an income support payment for women born on or before 1 July 1955 who ceased to be a member of a couple since turning 40 years and have no recent workforce experience.
- It is a non-activity tested payment paid at the JobSeeker Payment rate. Widow Allowance recipients also receive Energy Supplement and may be eligible for other supplementary payments.

Cameos:

1. Ethel

- Ethel was born on 10 June 1955 and was granted Widow Allowance in 2015.
- Ethel continues to receive Widow Allowance until she reaches Age Pension age (66) on 10 June 2021.
- On this date, Ethel transfers to Age Pension and receives a higher rate of payment than she received on Widow Allowance.

2. Magda

- Magda was born on 4 April 1955 and contacts Services Australia (Centrelink) on 1 August 2019 to advise that her husband died on 1 July 2019 and she has no recent workforce experience.
- As Widow Allowance is closed to new recipients, Magda is granted Newstart Allowance and is exempt from mutual obligation requirements.
- On 20 March 2020, Magda transfers from Newstart Allowance to JobSeeker Payment at the same payment rate and continues to be exempt from mutual obligation requirements.
- Magda continues to receive JobSeeker Payment until she reaches Age Pension age (66.5) on 4 October 2021.
- On this date, Magda transfers to Age Pension and receives a higher rate of payment than she received on JobSeeker Payment.