

What is income maintenance period?

When applying for some Centrelink benefits, payments may be reduced due to the operation of an Income Maintenance Period (IMP). This may reduce payments to nil, which means you effectively have a waiting period before payments commence.

Which payments are impacted by the IMP?

The IMP operates if you apply for:

- Newstart Allowance
- Partner Allowance
- Widow Allowance
- Sickness Allowance
- Parenting Payment
- Youth Allowance
- Austudy
- Disability Support Pension.

How does the IMP work?

If you cease employment, termination payments you receive may be assessed as income by Centrelink under the income test. This income is assessed for the number of weeks to which the payments apply. It can affect your income test as well as your partner's income test.

Termination payments that are included in the IMP include:

- Unused leave payments (i.e. unused long service leave, annual leave, sick leave, personal leave and payments of untaken maternity/paternity leave)
- Payments made under contract for early termination
- Redundancy payments
- Gratuity payments
- Payments in lieu of notice.



Case study

For example, John (single) has been made redundant from his employer and receives a gross termination payment of \$43,800. Prior to being made redundant, he earned \$1,200 gross per week. He has applied for Newstart Allowance (NSA).

John receives from his employer...	John's IMP is...
5 weeks of annual leave	5 weeks
10.5 weeks of long service leave	10.5 weeks
\$25,500 gratuity payment	\$25,200/\$1,200 = 21 weeks

John's IMP period is 36.5 weeks, (5 + 10.5 + 21). John's total redundancy payment will be apportioned as ordinary income over this 36.5 week period and is included in the income test. John's assessable income will be:

\$43,800 divided by 36.5 weeks = \$1,200 per week

This exceeds the cut-out threshold for both pensions and allowances, so John will not be eligible for any payment for at least 36.5 weeks. During this time John will need to fund his living expenses without Centrelink support.

When does the IMP start?

Generally, the IMP takes effect from the date your employer pays the termination payment/s. This is irrespective of whether you have claimed income support.

For example, John waits 20 weeks after receiving his total redundancy payment to apply for NSA. Following the date of claim, John must serve the residual IMP of 16.5 weeks only as the first 20 weeks has already been effectively served.

Our services



Health

- Health insurance
- Overseas visitors cover
- Dental services
- Chronic disease management
- Hospital in the home



Wealth

- Investments
- Estate planning
- Trust and estate administration services
- Financial planning
- Investment, education and funeral bonds
- Banking and home loans
- General insurance



Living

- Aged care and accommodation
- Personal and business insurance
- Aboriginal home care
- Disability services
- Retirement communities