



Financial planning for same sex partners

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Introduction

In November 2008 same-sex couples were officially recognised by Australian law and given the same entitlements as opposite-sex de facto couples and their families.

These changes also brought about a shift in the treatment of gay and lesbian couples' financial matters including taxation, superannuation, social security, family assistance, the Pharmaceutical Benefits Scheme, Medicare, Aged Care, veterans' entitlements, immigration, citizenship, child support and family law.

For same sex couples reading this, are you fully aware of these changes? If so, have you taken full advantage of them? If not, we can help.

Financial Spectrum is an industry leader in helping gay and lesbian couples maximise their financial position in relation to these reforms and overall financial management. We are committed to helping clients in all phases of life better manage their wealth and invest intelligently for the future.

We offer a fixed fee service and don't earn commissions, so you can be assured the advice we give is objective and tailored to your specific needs.

We hope this eBook provides some background, insight and guidance on same sex law reforms.



Overview of Australian same-sex law reforms

For many years Australian same sex couples have fought for equal rights across many areas including financial discrimination.

Following the 2008 report by the Australian Human Rights Commission into same sex relationships, the Australian Government introduced reforms that removed existing financial discrimination against gay and lesbian couples.

Overall there were 84 Commonwealth Law amendments.*

Key areas included:

Equal treatment

The changed laws now mean some same-sex couples and their families are entitled to receive benefits previously not accessible.

These may include:

- Partner concession card benefits
- Bereavement benefits if a partner dies
- Exemption of the family home from the assets test when one partner enters nursing home care and the other partner continues to reside there
- Recognition as independent for Youth Allowance if in a same-sex relationship for over 12 months
- Lesbian relationships recognised as a qualifying relationship for Widow Allowance, War Widow or Widowers Pension
- Access to the Child Support Scheme
- Access to the Pharmaceutical Benefits Scheme and Medicare as a family
- Allowing private sector superannuation trustees to make same-sex couples and their children eligible for reversionary benefits
- Enabling reversionary benefits from Commonwealth defined benefit superannuation schemes to be conferred on same-sex partners and the children of same-sex relationships

Taxation

Same sex couples are eligible to access the same tax concessions available to married and opposite-sex de facto couples.

Superannuation

Same-sex couples and their children are recognised as dependants in regard to superannuation death benefits. Depending on circumstances they may also be eligible for a tax-free status on superannuation lump sum death benefits.

Aged care

Prior to the reforms a same-sex partner was treated as a single person under the aged care income and assets test. Same-sex couples are now treated the same as opposite-sex couples and have 50 per cent applied to the total value of the couple's income and assets.

Child support

Reforms to the Child Support Act recognise parentage for same-sex couples. When gay and lesbian couples with children separate, they are eligible to apply for child support.

Dad and partner pay

Dad and partner pay is a payment under the Australian Government's Paid Parental Leave Scheme. It's now available to eligible working dads or partners including adopting parents and same-sex partners who care for a child born or adopted from 1 January 2013.

Immigration

Same-sex couples and their children are recognised as members of the same family unit for visa purposes. Same-sex partners of Australian citizens and permanent residents are also eligible to apply for partner visas.

Citizenship

Same-sex partners of Australian citizens are able to count periods of time spent outside Australia as time spent inside Australia for the purpose of meeting citizenship requirements. In eligible circumstances, children of same-sex couples are also recognised.

Veteran affairs

Same-sex couples can now receive home purchase assistance as members of the Defence Force. Same-sex defence member relationships are also recognised for pensions.

Social security and family assistance

From 1 July 2009, changes to social security and family assistance legislation has meant that all couples are recognised regardless of the gender of a partner. Same-sex couples also now receive the same entitlements, are assessed in the same way and have the same obligations as opposite-sex couples.

*Australian Government, Department of Social Services, 2016.

The functional impact of these reforms

Overall, the same sex law reform changes give co-habituating gay and lesbian couples in a serious relationship the same rights as opposite-sex couples in a serious relationship.

Proving the status of your relationship

As with opposite-sex de facto couples, same sex couples must be able to prove a marriage-like or genuine domestic relationship. Simply being in a relationship does not automatically qualify you for equal privileges under same sex law reforms.

De-facto status is not equal to marriage status

While the same sex law reforms mean gay and lesbian couples living together are treated the same as opposite-sex de-facto couples under Australian law, de-facto relationships themselves are not treated equally to marriages.

It's important to recognise that de-facto relationships, whether opposite-sex or same-sex, can be financially vulnerable. If you are in a de-facto relationship, talk to a financial planner to ensure you're both protected in the event of a relationship break down.

In the event of relationship break down

From March 1 2009, same-sex couples in an eligible de-facto relationship that has broken down can apply to the Family Court or the Federal Magistrates Court to have their financial matters determined. The court can order a division of property either jointly or separately. Superannuation can also be divided and spouse maintenance ordered.

There are qualifying conditions that need to be met which vary depending on which Australian state you live in. For more information, we encourage you to visit the [Family Law Courts website](#)

Making the most of the same sex law reforms

It's important that you're taking full advantage of the same sex law reforms. If you have any queries or concerns we encourage you to speak to a professional financial planner that understands the detail and structure of these reforms and how they apply to your situation.

You can also visit the Australian Government [Department of Social Services website](#) for more information.

Case study: Erin and Amelia's experience

Erin and Amelia have been together for eight years. They live together in an apartment which is in Amelia's name. Both have good jobs and enjoy a good lifestyle.

While aware of the same sex law reforms, they were unsure of how to take advantage of them and ensure they were in a position to meet their future financial needs.

They sought the help of a Financial Spectrum financial planner.

Financial Spectrum helped them:

- Become aware of all their legal and financial obligations, as well as rights under the new laws
- Build a financial strategy to help them achieve their lifestyle goals
- Take out appropriate levels of life insurance, income protection and trauma insurance to ensure that they were adequately protected

Erin and Amelia are now better prepared for their financial future together.



How Financial Spectrum can help

We hope our eBook has provided some insights on the same sex law reforms. As noted, we understand these reforms and can help you navigate and enjoy the benefits available.

Professional advice in this area will also help you better understand your personal situation so you can get your finances on track and secure your, your partner and your children's financial future.

At Financial Spectrum we help people make sound financial decisions, and no matter what your personal situation, we have the people and proven strategies to help you achieve your financial goals.



About Financial Spectrum

Financial Spectrum is an privately owned financial planning practice. We develop tailored financial strategies to help you build your wealth and achieve your lifestyle aspirations.

We offer so much more than investing. We take the time to understand you, and then help you make the right decisions to achieve the future you're aspiring to.

We can help you to:

- Plan for the future
- Build your investment strategy
- Grow your personal wealth
- Simplify your budget
- Minimise bad debt
- Increase your super
- Reduce your tax
- Protect your family

Let us help you take control of your finances, build your wealth and achieve your future lifestyle aspirations. Contact us for a complimentary, no obligation meeting today.





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