

# Things to consider if you receive a National Redress Scheme payment

**This fact sheet will help you understand how an National Redress Scheme (NRS) payment may affect your situation.**

## **Protected payments**

Payments from the National Redress Scheme are protected from Commonwealth Government Debt Recovery processes (such as Centrelink and tax debts, Child Support and HECS-HELP debts) and State Government debt recovery (such as fines).

## **Bank account**

It is important that you open a new fee-free bank account in your own name for the money to be paid into. This will allow the banks to clearly identify the National Redress Scheme payment and give it the protections it's entitled to.

## **Centrelink recipients**

### **Notifying Centrelink**

Centrelink requires notification of lump sums being paid into your bank account.

The NRS payment should be recorded by Centrelink as an 'exempt lump sum'. As the money is spent, you should let Centrelink know that the balance in your bank account has decreased.

### **Centrelink assets test**

National Redress Scheme payments are assessed under the assets test.

Centrelink have an assets test and your Centrelink payment can be reduced if your assets are over the limit. Asset limits are set depending on your Centrelink payment, relationship status and if you own or rent your home.

### **Centrelink gifting rules**

Centrelink limits the amount that can be given away to \$10,000 per year – and no more than \$30,000 over 5 years – before it may affect Centrelink payments.

*Knowmore provides free financial counselling and legal advice for people considering applying for an NRS payment or accepting an NRS offer.*

*Contact Knowmore on  
1800 605 762*

**Knowmore**  
Legal Service

**1800 605 762 | [knowmore.org.au](https://knowmore.org.au)**

We recognise First Nations peoples across Australia as owners and custodians of the lands and waterways upon which we live and work. We pay our deep respects to Elders past and present and acknowledge that sovereignty was never ceded.

We recognise those who paved the way for survivors of childhood abuse to find their voice and seek justice. We stand in solidarity with those who continue to speak up, and those who are no longer with us, whose voices were silenced and never heard.

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## Centrelink deeming

Centrelink assumes that any money or investments earn a set amount of interest. This is referred to as deemed income. Deemed income will be calculated on NRS payments, as well as other financial assets.

More information on deeming can be found at [www.servicessaustralia.gov.au](http://www.servicessaustralia.gov.au)

## Centrelink liquid assets waiting period

If you apply for a new payment of Jobseeker, Austudy or Youth Allowance after accepting an NRS payment it will be counted in the liquid assets waiting period and you may have to wait up to 13 weeks before your new Centrelink payment starts.

## Public housing

National Redress Scheme payments are generally exempt from assets tests for social and public housing.

Interest earned or deemed income will be counted as income by your housing provider.

This means that rent you pay for public or social housing may increase.

To find out if your payment will be exempt, ask your housing provider.

## Tax

NRS payments are not taxable. Interest earned on NRS payments may be taxable.

## NDIS

NRS payments do not affect NDIS.

## Debts or fines

There are some protections for NRS payments, but any debts or fines should be dealt with before you accept an NRS payment. Knowmore can help you with this.

## Aged care

The National Redress Scheme payment is an exempt asset for Residential Aged Care assessments. This means receiving an NRS payment should not result in you paying extra residential aged care fees.

For in-home aged care services, fees are based on your income. The NRS payment is still an exempt asset, but it is treated as an asset that earns income under Centrelink's deeming rules. This may affect how your contribution is calculated. Because everyone's situation is different, it is important to check with My Aged Care and Centrelink to understand what this means for you. More information on this can be found at [www.myagedcare.gov.au](http://www.myagedcare.gov.au)

## Prison

People in prison who receive an NRS payment may have limitations in accessing the payment. Each prison and bank have different rules about accessing money from prison.

If you accept an NRS payment while in prison, and intend to claim a Centrelink payment on release, you may be impacted by Centrelink's liquid assets waiting period.

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