

Newsletter

April 2001 Volume 4, Issue 4

Retirement Assistance for Farmers Scheme

Farmers and their families who think they may be eligible for retirement assistance under the retirement assistance for farmers scheme now have until 30 June 2001 to lodge their application forms and to finalise their transfer of assets. Farmers need to review their succession plans, wills and retirement plans to clarify whether they would benefit from the scheme.

To be eligible for the scheme the applicant and spouse must completely retire from farming. This may involve gifting the assets such as land, plant, livestock, interest in any farming business, partnership, trust or company.

The farmer must own the farmlands for at least 15 years or be actively involved in farming for 20 years. The maximum income for the three years before the transfer must, in the case of a married couple, be less than \$51,306. For a single person it must be under \$30,738.

The value of the farmer's assets must not exceed \$500,000. The value of the farmer's house and five acres (if the farmer retains the right to live on the property) will be exempt from the valuation.

Retirement Assistance Scheme deadline extended

A significant advantage of the scheme is the fact that the taxable value, and not the market value, of plant and livestock will be accepted in the overall valuation.

Before granting a pension Centrelink will need to be satisfied that all farm-related assets have been transferred. It will require access to documentation such as a trust deed showing the younger generation's name registered on the title deed. 1

Reproduced from the Law Society of NSW, publication "In Touch with the Law".

Dedicated to providing cost effective solutions to your legal problems....