

s 22 - irrelevant material



Australian Government

Services Australia

Sale of principal home 108-04070050

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Background

s 22 - irrelevant material

s 47E(d)

This document outlines the process if a customer sells their principal home. The proceeds can be exempt from the assets test and concessionally deemed (for sales on/after 1 January 2023) if the qualifying conditions are met.

Principal home sale proceeds

The sale of home provisions apply to income support payment recipients, including ABSTUDY, who sell their principal home and intend to purchase, build, rebuild, repair or renovate what will be their new principal home.

Generally, the date of sale will be the property settlement date, as this is when the funds and title are exchanged. See [Sale by instalments or deferred payment](#) for details about these types.

Sales completed from 1 January 2023

- The sale of home provisions now includes the following recipients:
 - Farm Household Allowance
 - Low Income Health Care Card
- **The portion of the proceeds** from the sale of the former home that the customer(s) intends to spend on their **new principal home** is:
 - asset test exempt for up to 24 months from the date the home was sold, with an extension of up to 36 months total in some circumstances
Note: the exemption does not apply if customers have moved into their new home and then intend to undertake renovations
 - deemed at the lower rate (currently 0.25%) when funds are invested in financial assets.
Note: any remaining funds from the sale not intended for the new home and investment in financial assets are subject to the normal deeming provisions, and are assessed under normal asset testing rules

Sales completed before 1 January 2023

- The sale provisions before 1 January 2023 still apply
- The proceeds from the sale of the former home that the customer(s) intends to spend on their new principal home are an exempt asset for up to 12 months from the date the home was sold, with an extension of up to 24 months total in some circumstances

Proceeds held as financial investments

For proceeds held as [financial investments](#):

- they are an exempt asset
- still subject to the deemed income provisions from the date they are legally entitled to receive the funds (this is not always the settlement date). For sales from 1 January 2023 onwards, they are deemed at the lower deeming rate only

Exception: investment income is **not** assessed if the invested amounts were received because the home was:

- destroyed
- demolished
- damaged

See [Exempt lump sums](#) for more details.

The customer:

- may use the proceeds to purchase investments, such as income streams or loaned to other parties
- must state they will partially or fully commute the income stream, recover the loan, etc., within the exemption period and intend to use the full proceeds to purchase a new principal home
- is considered a homeowner during the exemption period

Sale proceeds held in a private company or trust

Where an attributable stakeholder of a private company or trust lives in a home owned by that private company or trust, the home is assessed as the person's principal home if they have reasonable security of tenure. If the private company or trust sells the principal home with the view to purchase a new home for the attributable stakeholder, the proceeds of the sale held in the trust or company would be exempt from assessment under the asset test for up to 24 months (extended for another 12 months in some circumstances).

Additionally, where a customer owns a property then sells it and transfers the funds into a trust or company bank account or investment the same rules apply.

As funds held as financial investments in private companies or trusts are not subject to deeming, any actual income generated by the proceeds would be assessed as part of the private company or trust's income.

Ownership of sale proceeds

- The exemption from the asset test is not tied to the financial asset where a customer deposits the proceeds
- All deemed financial assets, excluding gifts, are seen as interchangeable for the purposes of the exemption

A customer may choose to allocate a portion of the sale proceeds at any time to their partner, which may involve changing where the exemption has been coded. This may have an effect on the income test where:

- the customer is in receipt of an allowance income tested payment and
- the partner is not in receipt of a pension income tested payment

See [Income Test for partnered allowance customers](#).

Sale proceeds invested in an income stream

- The customer can invest proceeds of the sale of the principal home in an income stream
- The customer must intend to commute part or all of the income stream and use the proceeds to purchase a principal home before the expiration of the exemption period, for these provisions to apply

Note: the type of income stream purchased will determine how this is to be assessed and specific coding is needed to correctly apply any asset test exemption and the correct income assessment to the income stream. See the [Process](#) page for full details.

Extension of asset test exemption

The asset test exemption may be extended for up to an additional 12 months if the customer has a continuing intention to use the proceeds of the sale to purchase, build, rebuild, repair or renovate a new principal home and they have:

- made [reasonable attempts to obtain a new principal home](#)
- made those attempts within a reasonable period after selling the principal home. This includes:

- 6 months for sales before 1 January 2023
- 12 months for sales from 1 January 2023
- experienced delays [beyond their control in obtaining a new principal home](#)

All of the above criteria **must** be met. The customer must provide evidence to satisfy some of these criteria.

For sales:

- **before 1 January 2023**, where the asset value is exempt for the 12-24 month period, it is still subject to deeming provisions during the asset exemption period
- **from 1 January 2023 onwards**, where the asset value is exempt during the 24-36 month period extended exemption period, it continues to be deemed at the **lower deeming rate only**

The customer continues to be assessed as a homeowner during the extended exemption period.

Home not sold but deposit received

The home is considered sold:

- once a legally binding and unconditional agreement for the sale of the property has been entered into, or
- **all** conditions are met if the agreement is subject to preconditions

This can be before the actual settlement date, which is when the transfer of title occurs.

If the customer receives a deposit amount before the home is considered sold, the deposit amount received is not exempt. Once the sale is complete, the deposit amount may be exempt if it meets the 12 or 24 month exemption conditions.

Land to build a new principal home is owned/purchased by customer

From 1 July 2007, land already owned (outright or mortgaged) by the customer on which they intend to build a new principal home, may be exempt from the assets test once the principal home sale proceeds have been received.

If the customer uses the proceeds of sale to purchase a block of land on which they intend to build a new principal home, the land may be exempt from the assets test for up to 12 or 24 months depending on the date of sale (settlement).

The total exempt asset value must not exceed the sale price of the old principal home. The [Resources](#) page has examples.

Customer still owns previous principal home

If a customer still owns their former principal home after purchasing a new principal home, assess the previous principal home under the normal assets test using the current market value of the house less any encumbrance. This can be either a secured loan or an unsecured loan, if the customer can show they took out the loan specifically to purchase that particular asset.

See the Social Security Guide 4.6.6.30 on the [References](#) page.

Conditional and unconditional sales

A property is not considered sold until the legal owners:

- enter a legally binding and unconditional agreement for the sale of the real estate or property
- **or** until all preconditions are met if the agreement is subject to preconditions

If a customer's sale agreement is conditional and not all preconditions have been met:

- the customer has not entered into a valid and legally binding contract and
- the home is **not** considered sold

It will remain an exempt asset while it is the customer's principal home. If a customer vacates the principal home before it is considered sold, it may be considered a [temporary vacation](#) if there is a possibility the customer may return, for example, if the sale does not proceed.

Sale by instalments or deferred payment

If a customer sells their principal home by instalments or the payment is deferred (by a sale or loan agreement), these payments may be considered as proceeds from the sale of the principal home. Only the payments received within the initial 12 or 24 months (depending on the date of settlement) and used to acquire the principal home are disregarded. These payments are **not** income for Social Security purposes. See [Process](#) page for more details about sales by instalments.

ACT and NSW Government Buybacks

The following payments are compensatory for homes purchased under the:

- ACT Government Loose-fill Asbestos Insulation Eradication Scheme, or
- NSW Voluntary Purchase and Demolition Program (for example, homes insulated by Mr Fluffy using loose fill asbestos)

Tell the customer the lesser of the sum received and the amount they are intending to spend on a replacement will not be assessed as an asset or deemed to be earning income. This applies until they have replaced the property, subject to a 12 month limit with a possible 12 month extension.

Note: this is a separate exemption for insurance or compensation payments. Only a 12 month period exemption applies, with possibility of an additional 12 month extension if certain criteria are met.

With recent multiple bushfire and flood events across Australia, state governments are starting to offer various schemes to voluntary buy back properties in affected areas. These are not to be confused with schemes providing assistance to raise, repair, or retrofit homes, which are assessed differently.

Aged care customers

When a customer moves into residential aged care, the value of their principal home is assessed as:

- an asset in their Aged Care Means Assessment, unless there is a protected person living in it. See [Aged Care Means Assessment - Protected person](#) for more details. If the protected person is the partner, and they sell the home, and intend to purchase a new home, an exemption for the funds received from the sale of the home may still apply
- an exempt asset for income support purposes as stated in [Vacation of principal home due to illness](#). If the home sells during the exemption period and the customer is:
 - **single**, the proceeds are immediately assessable for income support purposes. Any new property obtained from the sale does not satisfy the exemption provisions
 - **partnered**, the proceeds may be an exempt asset but subject to deeming if the partner intends to use the funds for their new principal home

The sale of home provisions apply to:

- single or partnered customers receiving home based care as they still reside in the family home
- self-funded retirees **s 47E(d)**

Rent Assistance (RA)

An income support customer in rental accommodation [may be entitled to RA](#) if they sold their former principal home within the last 12 or 24 months, depending on the date of sale (settlement), and:

- are likely to use some or all of the proceeds of the sale (within 12 or 24 months of the sale) to acquire, build, repair or renovate another home which will become their new principal home
- have made reasonable attempts, within a reasonable period after selling the home to acquire another residence, but have experienced delays beyond their control. In this scenario, RA can continue to be paid in the extended exemption period

The [Resources](#) page contains contact details, letter templates, examples of real estate assessments and exemptions, details on how to manually calculate deemed income, a deeming calculator, and a link to Office Locator.

Related links

[Sale of real estate by instalment or deferred payment](#)

[Purchasing another residence](#)

[Permanent vacation of principal home](#)

- [Vacation of principal home due to illness](#)
- [Determining homeowners and non-homeowners](#)
- [Assessing caravans, boats and park homes](#)
- [Temporary accommodation and Rent Assistance \(RA\)](#)
- [Rent Assistance \(RA\) verification](#)
- [Assessing deprivation/gifting](#)
- [Coding income and assets for Centrelink payments and services](#)
- [Qualification for payment of Rent Assistance \(RA\)](#)
- [Assessing and coding real estate details](#)
- [Temporary vacation of principal home](#)

Process

s 47E(d)

This document outlines the process if a customer sells their principal home. The proceeds can be exempt from the assets test and concessionally deemed (for sales on/after 1 January 2023) if the qualifying conditions are met.

Sale of home from 1 January 2023

On this page:

- [Customer advises sale of their principal home](#)
- [Updating the record when the principal home has been sold](#)
- [Home ownership and deprivation assessment](#)
- [Customer advises a change in proceeds of sale currently exempt under the assets test](#)

Customer advises sale of their principal home

Table 1

Step	Action
1	<p>Customer advises they have sold their principal home + Read more ...</p> <p>The home is considered sold:</p> <ul style="list-style-type: none">once a legally binding and unconditional agreement for the sale of the property has been entered into, orall conditions are met if the agreement is subject to preconditions <p>This can be before the actual settlement date.</p> <p>If the sale of home involves:</p> <ul style="list-style-type: none">payments to customers for homes purchased under the ACT Government Loose-fill Asbestos Insulation Eradication Scheme or the NSW Voluntary Purchase and Demolition Program. These payments are compensatory. See Exempt Assets

	<ul style="list-style-type: none"> the customer vacating their principal home before its sale is finalised, a reassessment of the principal home is needed. See Permanent vacation of principal home or Temporary vacation of principal home the customer is in or about to move into aged care (this includes, self-funded customers, that is; s 47E(d)) the customer must provide details of any Refundable Accommodation Deposit (RAD) that has been paid: If: <ul style="list-style-type: none"> they are a member of a couple and the partner is intending to purchase or build a new principal home, go to Step 3 they are single, go to Step 4 a customer sharing with another person who is not a close family member or partner, consider the Living Arrangements question set and issue any required forms, go to Step 2 none of the above, go to Step 2
2	<p>Sale of home and purchase of another home + Read more ...</p> <p>If the customer advises they:</p> <ul style="list-style-type: none"> have already purchased another home, and the sale and purchase settlements: <ul style="list-style-type: none"> occurred on the same day, staff must code all changes relating to the sale and purchase in two separate activities. For more details see Coding income and assets for Centrelink payments and services. Go to Step 4 occurred on different days, staff must code all changes relating to the sale and purchase in two separate activities. For more details see Coding income and assets for Centrelink payments and services. Go to Step 4 have an existing ^{s 47E(d)} (Sale/Purchase of Home Property) exemption and is advising of the purchase of land, a deposit, or a progress payment for their new principal residence, see Table 4 sold their home and is planning to purchase or build or renovate another home, go to Step 3 sold their home and has other plans, go to Step 4
3	<p>Sale of home and purchase of another home - exemptions + Read more ...</p> <p>If the customer sold their home and is planning to purchase or build another home, they are still a homeowner during the initial exemption period of up to 24 months.</p> <p>The customer may get an extension of an additional 12 months on their exemption if the customer has a continuing intention to use the proceeds of the sale to purchase, build, rebuild, repair or renovate a new principal home and they:</p> <ul style="list-style-type: none"> have made reasonable attempts to obtain a new principal home, and have made those attempts within a reasonable period (12 months) after selling the principal home (evidence may be required), and have experienced delays beyond their control in obtaining a new principal home <p>During the initial or extended exemption period:</p> <ul style="list-style-type: none"> the portion of the proceeds from the sale of the former home that the customer intends to spend on their new principal home is exempt under the assets test. The exemption does not apply if customers have moved into their new home and then intend to undertake renovations The exempt amount invested in a financial investment is deemed at the lower deeming rate only <p>The sale of home provisions do not apply to customers permanently entering aged care, unless the spouse of a person entering care sells the family home with the intention to secure a new principal place of residence.</p> <p>If the property is larger than 2 hectares, the Extended Land Use Test may apply. See Assessing house and curtilage. If the excess land:</p> <ul style="list-style-type: none"> was exempt under the Extended Land Use Test provisions, it is included as part of the sale proceeds was not exempt, the value of the excess land does not form part of the exempt sale proceeds amount <p>Was the customer's principal home held in a private trust or company or has the customer sold their principal home and placed the sale proceeds in a trust or company?</p>

	<ul style="list-style-type: none"> • Yes, a CAO referral is required. See Identifying and making suitable referrals to the Complex Assessment Officer (CAO). • No, go to Step 4
4	<p>Details needed to record the sale + Read more ...</p> <p>To update a sale of home, all of the following details must be provided:</p> <ul style="list-style-type: none"> • date of settlement • net amount received by customer from the sale after any fees, mortgage repayments etc • what the customer has done with the proceeds of the sale (for example deposited in a bank account). If the investment value is less than the sale amount, this may indicate that the customer has purchased a block of land, or paid a deposit on a house etc • whether or not customer intends to purchase, renovate, or construct a new home and if so, what portion of the sale proceeds do they intend to spend on their new house. For partnered customers, this includes details of what portion of the intended amount each member of the couple has invested • was the home gifted or sold for less than its value <p>s 47E(d) For more information, see Verifying income and assets.</p> <p>Are the details of the sale of home and details of what the customer did with the proceeds available now?</p> <ul style="list-style-type: none"> • Yes, see Table 2 • No, go to Step 5
5	<p>Customer does not have full details + Read more ...</p> <p>Where full details of the sale of home are unavailable:</p> <ul style="list-style-type: none"> • Use Fast Note - select s 47E(d) to DOC the customer's record with: <ul style="list-style-type: none"> ◦ known details for the sale of the home ◦ extra details or documents needed ◦ Select s 47E(d) to close the DOC • Send a request for information using a QSS32 to the customer asking for the extra details or documents. See Resources for 'Sale of home' letter template for text to use in the letter • If the sale of the home involves deferred payments, or payment by instalments, request a copy of the sale agreement and loan agreement (if relevant) <p>Make sure all details of the sale are considered. For example, if the sale occurred a number of months ago, check if historical bank account or other updates are required.</p> <p>Consider updating address details.</p> <ul style="list-style-type: none"> • Blind customers: If the customer is in receipt of a Means Test free Blind Pension, do not issue a request for information. Exception: take care if the customer is claiming Rent Assistance or they have a partner and the partner is not in receipt of a Means Test free payment. In this case, details are still needed • Aged Care Accommodation Payment: Request details of dates and amounts of any lump sum accommodation payments. See Aged care fees and charges - accommodation payments <p>Once all information provided, see Table 2.</p>

Updating the record when the principal home has been sold

Table 2

Step	Action
1	Details of sale of home are known + Read more ...

If full details of the sale of home are available:

- Use [Fast Note](#) - select **s 47E(d)** to **DOC** the customer's record with:
 - known details for the sale of the home
 - extra details or documents needed
- Select **s 47E(d)** to close the **DOC**

Blind customers: If the customer is in receipt of a **Means Test free** Blind Pension, details of income and assets are not required. Except if they:

- are claiming Rent Assistance or
- have a partner and the partner is **not** on a Means Test free payment

If the customer is permanently moving to aged care, more details are required.

Check aged care status of both customer and partner (where applicable):

s 47E(d)

Note: the **s 47E(d)** screen cannot be coded unless care recipient has a benefit status of **s 47E(d)** (i.e. Home Care) or **s 47E(d)** is coded within an **s 47E(d)** activity. See [Aged care fees and charges - accommodation payments](#)

If the customer:

- has a partner and:
 - both have entered or entering residential aged care, [go to Step 3](#)
 - only one member of the couple has entered/entering aged care and the partner:
 - is intending to buy/build a new primary residence, [go to Step 2](#)
 - is **not** intending to buy/build a new primary residence, [go to Step 3](#)
 - neither have entered or entering residential aged care or receiving home care, [go to Step 4](#)
- is single and:
 - in or entering residential aged care, [go to Step 3](#)
 - receiving home care only, [go to Step 2](#)
 - is not in or entering aged care and not receiving home care, see [Table 3](#)

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Accommodation details for sale of home + Read more ...

For customers intending to purchase or build a new principal home and the customer is receiving aged care, check **s 47E(d)** [on the s 47E\(d\)](#) [screen](#).



- For couples where one resides in aged care, leave the home ownership code as: **s 47E(d)**

	<p>s 47E(d)</p> <ul style="list-style-type: none"> For customers (single or partnered) receiving home based care, leave the home ownership code as s 47E(d) <p>See Change of address to an aged care home for more details.</p> <p>Go to Step 4.</p>
3	<p>Aged care customer advising sale of home + Read more ...</p> <p>A customer entering residential Aged Care s 47E(d) who has sold their home is no longer considered to be a homeowner. Staff must complete further updates.</p> <p>If the customer tells Services Australia about the sale of their home in writing, staff may need to contact them for new address details. This is to ensure s 47E(d) and s 47E(d) screens are coded correctly.</p> <p>Staff must complete the following actions using the Income and Assets Update from the Task Selector:</p> <ul style="list-style-type: none"> Update all income and asset details and proceeds of sale: s 47E(d) Update Home ownership on s 47E(d) <p>s 47E(d)</p> <p>Has the customer paid (or intending to pay) a Refundable Accommodation Deposit?</p> <ul style="list-style-type: none"> Yes, go to Step 4 No, see Table 3
4	<p>Customer has paid or is planning to pay a Refundable Accom Deposit + Read more ...</p> <p>If the care recipient has paid an accommodation payment, by either a lump sum or by a partial lump sum, payments will be updated on s 47E(d) screen:</p> <ul style="list-style-type: none"> Date of Effect: the date the accommodation lump sum was paid Refundable Accom Deposit Amt \$: amount of accommodation payment that has been paid in a lump sum <p>If the customer does not have an RCA benefit status, and has paid a lump sum accommodation payment, go to Aged care fees and charges - accommodation payments.</p> <p>A refundable accommodation deposit may be paid over several instalments. When a subsequent lump sum amount is paid after the first payment, code the total amount on the s 47E(d) screen, with a new date of effect. This includes the:</p> <ul style="list-style-type: none"> date of any subsequent lump sum payments, and accumulated total of lump sum payments that have been paid in total <p>This is a total of previous lump sum payments and the most recent lump sum payment. See Aged care fees and charges - accommodation payments for more details on coding s 47E(d) (s 47E(d)) screen.</p>

	Go to Step 5.
5	<p>Deferred payments or payments by instalments + Read more ...</p> <p>Does the sale involve deferred payments or payment by instalments?</p> <ul style="list-style-type: none"> • Yes, go to Step 6 • No, see Table 3
6	<p>Documents for sale by instalment/deferred payment + Read more ...</p> <p>Customers must provide:</p> <ul style="list-style-type: none"> • copy of: <ul style="list-style-type: none"> ◦ sales agreement that verifies the conditions and terms of the sale ◦ settlement statement and any loan agreements if applicable ◦ property disclosure ◦ bank statements to verify funds that have been received to date • statement to confirm the amount the customer/s plan to spend on their new home, depending on where they have been invested <p>Send a request for information using a QSS32 to the customer asking for the documents. See Resources for 'Sale of Home' letter template for text to use in the letter.</p> <p>Once all documents have been provided:</p> <ul style="list-style-type: none"> • send an email to the Level 3 Helpdesk - Real Estate, Other Assets and Exempt Assets and Assets Hardship team, include: <ul style="list-style-type: none"> ◦ any background information around the sale by instalments/deferred payments ◦ the documents the customer has provided as evidence • If the documents do not provide all the information requested, contact the customer to address any details required for assessment and include any discussion in the email • DOC the record and note the case has been escalated to Level 3 Helpdesk

Home ownership and deprivation assessment

Table 3

Step	Action
1	<p>Determine if deprivation may apply + Read more ...</p>  <p>Does the estimated value appear to be less than the current market value?</p> <ul style="list-style-type: none"> • Yes, go to Step 2 • No, include the details in a DOC at the end of the process. Go to Step 3
2	<p>Determine deprivation + Read more ...</p>  <p>If the property appears to have been sold below its true market value a valuation is required (if not already received) as deprivation may apply.</p>

	<p>Deprivation is determined by obtaining the customer valuation and an approved valuation and calculating any difference:</p> <ul style="list-style-type: none"> Request a valuation to obtain the true value of the purchase price To establish the actual value of the home, request a valuation of the property from an authorised valuer unless a valuation has already been completed. See Valuation of real estate and other assets When the valuations are returned, assess if deprivation has occurred. The deprivation amount is the difference between the customer valuation and the approved valuation from an authorised valuer <p>Did the customer gift the property or sell it for less than its value?</p> <ul style="list-style-type: none"> Yes, deprivation may have occurred. Record Gift as per Assessing deprivation/gifting. Go to Step 3 No, include the details in a DOC at the end of the process. Go to Step 3
3	<p>Customer's new accommodation + Read more ...</p> <p>What is the customer's new accommodation situation?</p> <p>If the customer:</p> <ul style="list-style-type: none"> or partner, is s 47E(d) → go to Step 7 has purchased another home, see Purchasing another residence. Procedure ends here intends to purchase, build, rebuild, repair or renovate a new principal home within 24 months, go to Step 4 does not intend to purchase a new home within 24 months and is now renting new accommodation or living in other accommodation not owned by the customer or partner, go to Step 12 is unable to access the sale funds due to temporary legal restrictions causing a pending property settlement, such as a separation from former partner or deceased estate, go to Step 14 has moved into a home they already own, see Assessment and sale of real estate and timeshare asset. Procedure ends here has entered/is entering a retirement village, see Retirement villages. Procedure ends here has established granny flat interests, see Granny flat provisions. Procedure ends here
4	<p>Treatment of sale proceeds where customer intends to purchase or build another home within 24 months, sales after 1 January 2023 + Read more ...</p> <p>Obtain details from the customer of the expected date of completion/finalisation of the sale and the expected total cost of the new home.</p> <p>s 47E(d)</p> <p>For partnered customers, consider what portion of the intended amount each member of the couple has invested.</p> <p>Note: the start date for the assessment of sale proceeds depends on the circumstances of the sale, it may not always be the same as the settlement date. See Resources for examples.</p> <p>Land already owned (outright or mortgaged) by the customer on which they intend to build a new principal home, may be exempt from the assets test once the principal home sale proceeds have been received. See Table 7, Step 6 in Assessment and sale of real estate and timeshare asset.</p> <p>If the customer uses the proceeds of sale to purchase a block of land on which they intend to build a new principal home, the land may be exempt from the assets test for up to 24 months.</p> <p>The total exempt asset value must not exceed the sale price of the old principal home. The Resources page has examples.</p> <p>Complete updates in Process Direct.</p> <p>Staff must record details of:</p> <p>s 47E(d)</p>

Check if the **s 47E(d)**
s 47E(d)

screen is coded, if not code:

To code the proceeds of the sale and the asset test deductions, [go to Step 5](#).

5

Coding sale proceeds against relevant investments + Read more ...

Complete updates in **Process Direct**.

See [Coding income and assets for Centrelink payments and services](#).

Code the proceeds of sale, depending on where they have been invested as follows:

Bank account + Read more ...

s 47E(d)

Managed funds or shares + Read more ...

s 47E(d)

Loans to other parties + Read more ...

- The customer **must** state they will partially or fully recover the loan within the exemption period and use the funds for their new principal home

s 47E(d)

Income Streams + Read more ...

If the income stream was purchased with proceeds from the sale of their home, the customer must state they intend to partially or fully commute the income stream within the exemption period and use the proceeds for the new principal home. The assessment will depend on the type of income stream they have purchased.

If the income stream is considered a financial investment and subjected to deeming (for example Category 9 Account Based income stream (type **s 47E(d)** purchased after 1 January 2015 or a Category 3 Asset Tested short term income stream (type **s 47E(d)** if term is 5 years or under)) the following applies:

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s 47E(d)

If the income stream is not considered a [financial investment](#), the income test based on the type of income stream purchased will determine the asset exemption. For example, Category 10 Lifetime Pooled Income Stream purchased on or after 1 July 2019 (types [s 47E\(d\)](#) or [s 47E\(d\)](#) Category 2 Life Expectancy Income Stream (type [s 47E\(d\)](#) or Category 2 Asset tested long term income stream (type [s 47E\(d\)](#) if term is more than 5 years) the following applies:

s 47E(d)

For more details, see:

- [Adding or updating a pooled lifetime income stream](#)
- [Adding or updating a life expectancy income stream](#)
- [Adding or updating a term income stream](#)
- [Commutation of asset-tested income streams](#)
- [Coding income and assets for Centrelink payments and services](#)

Foreign income and assets + Read more ...

Foreign savings and investments cannot be coded on the [s 47E\(d\)](#)

screen.

s 47E(d)

6	<p>Coding sale proceeds amount on the s 47E(d) screen + Read more ...</p> <p>Staff must record the sale details on the s 47E(d) screen in Process Direct.</p> <p>Do not use Customer First or Customer Record s 47E(d) s 47E(d)</p> <p>Before finalising the activity, make sure all details relating to the sale are documented in the s 47E(d) text box. This includes the portion of the sale proceeds intended for the new home.</p> <p>Go to Step 11.</p>
7	<p>Sale proceeds where customer or partner is in receipt of RCA + Read more ...</p> <p>The sale of home provisions can apply to RCA customers who are either receiving home based care, or for couples where one lives in residential care and the partner not in care sells the home with the intention to purchase or build another.</p> <p>Is the customer or partner intending to purchase another home?</p> <ul style="list-style-type: none"> • Yes, go to Step 8 • No, go to Step 12
8	<p>Treatment of sale proceeds where customer or partner is in receipt of RCA and intends to use all the proceeds to purchase or build another home within 24 months + Read more ...</p> <p>Land already owned (outright or mortgaged) by the customer on which they intend to build a new principal home, may be exempt from the assets test once the principal home sale proceeds have been received. See Table 7 > Step 6 in Assessment and sale of real estate and timeshare asset.</p> <p>If the customer uses the proceeds of sale to purchase a block of land on which they intend to build a new principal home, the land may be exempt from the assets test for up to 24 months.</p> <p>If the customer uses some of the proceeds of sale to purchase an income stream that is not assessed as a financial investment, go to Step 6 to code that income stream only. s 47E(d)</p> <p>The total exempt asset value must not exceed the sale price of the old principal home. The Resources page has examples.</p> <p>The amount of the primary sale proceeds that the customer intends to use for a new principal home must not be recorded as an asset. The deemed income from this amount needs to be assessed at the lower deeming rate only. To do this, the deemed income must be calculated and recorded manually on the s 47E(d) screen.</p> <p>s 47E(d)</p> <p>s 47E(d)</p>

9	<p>s 47E(d)</p> <p>DOC the record</p> <p>s 47E(d)</p> <p>Does the customer intend to use the entire sale proceeds amount for their new primary residence?</p> <ul style="list-style-type: none">• Yes, procedure ends here• No, go to Step 10
10	<p>Customer or partner is in receipt of RCA and has leftover sale proceeds + Read more ...</p> <p>Where a customer does not intend to use all of the sale proceeds, the portion not being used must be assessed as an asset and the general deeming provisions apply.</p> <p>Record remaining funds from the sale not intended for the new primary residence on s 47E(d) screen, regardless of the financial asset type they are invested in.</p> <p>s 47E(d)</p>

	Procedure ends here.
11	<p>Purchasing or building a new home + Read more ...</p> <ul style="list-style-type: none"> Ask the customer to provide details of any payments made for the deposit on their new home, construction costs or purchase of land so their investments can be adjusted. See Table 4 If applicable, update rent details and request appropriate rent verification. If coding s 47E(d) see Qualification for payment of Rent Assistance (RA), and Completing the s 47E(d) screen and assessing Rent Assistance Customers who have sold their home and purchased a mobile home to live in may be homeowners or non-homeowners, see Assessing caravans, boats and park homes DOC the record with details of the sale proceeds amount, intended amount(s) and details of where any proceeds have been invested <p>Procedure ends here.</p>
12	<p>No intention of purchasing another home + Read more ...</p> <p>If the customer has no intention to purchase another home, and is now living in accommodation they (or their partner) do not own:</p> <p>Once all updates are completed:</p> <p>s 47E(d)</p> <p>For customers who have sold their former principal home, are living in aged care (Note: for partnered customers, the following applies if both are residing in aged care) and are intending on paying a RAD, go to Step 13.</p> <p>Otherwise, procedure ends here.</p>
13	<p>Customer is intending to pay a RAD + Read more ...</p> <p>For customers who have sold their former principal home and are living in aged care (Note: for partnered customers, the following applies if both are residing in aged care):</p> <p>s 47E(d)</p> <p>For assistance in coding, see Assessment and sale of real estate and timeshare asset</p> <ul style="list-style-type: none"> Update the proceeds of sale depending on where it is invested. Note: the proceeds of sale pending the payment of a Refundable Accommodation Deposit (RAD), are an exempt asset, and not subject to asset testing and deeming. s 47E(d) See Cancellation of Age Pension. Procedure ends here
14	<p>Unable to access sale funds due to temporary legal restriction + Read more ...</p> <p>When a customer's principal home is sold, they may be unable to access the funds for legal reasons. This can be the result of situations such as:</p> <ul style="list-style-type: none"> a pending property settlement following the breakdown of a relationship, or the settlement of an estate <p>From the date of settlement of the home until the date a legal settlement is reached, if the customer does not have a legal entitlement to the proceeds of the sale, a nil income or asset value is assessed for the duration of this period. For this period, the customer is assessed as a non-homeowner.</p> <p>If the customer has vacated their principal home before its sale is finalised, a reassessment of the principal home will be required, see Permanent vacation of principal home or Temporary vacation of principal home.</p>

If there are no legal restrictions, the funds are assessable from the date of settlement as this is when the ownership and funds are transferred. If they are held in a solicitor's trust account pending distribution to the seller, record these funds on ^{s 47E(d)} screen until deposited into the customer's account and assessed accordingly.

Has the customer's share of the proceeds from the sale of the home been determined?

- Yes, [go to Step 15](#)
- No, ^{s 47E(d)}

^{s 47E(d)}

15

Proceeds of sale after legal restriction ceased + Read more ...

Select from the below options:

Sale of the home occurred less than 24 months ago + Read more ...

The 24 month asset test exemption period begins from the date of settlement so the customer may only benefit from the balance of the remaining months. While the asset test exemption is in place the customer is assessed as a homeowner.

Depending on what the customer intends to do, treat the funds as per the applicable steps:

- Intends to build/purchase, [go to Step 4](#)
- ^{s 47E(d)} and intends to build/purchase, [go to Step 8](#)
- No intention to build/purchase, [go to Step 12](#)

Sale of the home occurred between 24 and 36 months ago + Read more ...

The 24 month or 36 month (depending on the date of settlement) asset test exemption period begins from the date of settlement so the customer may only benefit from the balance of the remaining months. While the asset test exemption is in place the customer is assessed as a homeowner.

Depending on what the customer intends to do, treat the funds as per the applicable steps:

- intends to build/purchase, [go to Step 4](#)
- ^{s 47E(d)} and intends to build/purchase, [go to Step 8](#)
- no intention to build/purchase, [go to Step 12](#)

Sale of home occurred more than 36 months ago + Read more ...

The customer's share of the funds are treated as an asset and deeming is applied from the date the customer is entitled to receive the funds. An asset test exemption is **not** applicable and the customer is assessed as a non-homeowner. [Go to Step 12.](#)

Customer advises a change in proceeds of sale currently exempt under the assets test

Table 4

Step	Action
1	<p>Change in balance of investments with a current assets test exemption + Read more ...</p> <p>Note: if a customer or partner is s 47E(d) the sale coding will remain under the manual solution. If customer or partner is s 47E(d) go to Step 9.</p> <p>If the customer has contacted to advise:</p> <ul style="list-style-type: none"> they have purchased a block of land to commence building their new principal home, go to Step 2 they have completed the purchase, building, rebuilding, repair or renovation of a new principal home before the maximum exemption period (24 months), go to Step 3 their investment balances have changed for proceeds of sale currently exempt under the assets test, go to Step 4
2	<p>Use of proceeds of sale to purchase a block of land + Read more ...</p> <p>If a customer uses the proceeds of sale to purchase a block of land to build their new principal home, the block of land:</p> <ul style="list-style-type: none"> is not assessable does not need to be coded on the s 47E(d) screen <p>Has the customer used all proceeds of sale for their new principal home?</p> <ul style="list-style-type: none"> Yes, go to Step 3 No, go to Step 4
3	<p>Customer has new principal home ending the assets test exemption + Read more ...</p> <p>Confirm with the customer they have completed the purchase, build/rebuild, repair or renovation of a new principal home, or purchased a block of land and have used all the proceeds from the sale of their former home.</p> <p>Obtain the details of the customer's new principal home, including:</p> <ul style="list-style-type: none"> Date of settlement/completion New address details if they have purchased a new home Details of investments, confirming the portion of exempt funds was used for the new principal home <p>If all relevant details can be provided, update the customer's record to end the exemption period.</p> <p>In Process Direct:</p> <p>Update homeownership status on the s 47E(d) screen:</p> <p>s 47E(d)</p>

s 47E(d)

s 47E(d)

Income streams

s 47E(d)

See:

- [Adding or updating a pooled lifetime income stream](#)
- [Adding or updating a life expectancy income stream](#)
- [Adding or updating a term income stream](#)
- [Commutation of asset-tested income streams](#)

Update related changes/balances in investments/assets See [Coding income and assets for Centrelink payments and services](#) for more detail.

Record all details in a **Fast Note**.

Procedure ends here.

4 **Customer has used some of the proceeds of sale that are assets test exempt** + Read more ...

Obtain details of the funds that have been used to purchase, build, rebuild, repair or renovate a new principal home from the customer including:

- Date withdrawn
- Amount withdrawn
- Where funds have gone/been used for
- New balance(s) after withdrawal

If all relevant details can be provided, update the customer's record.

s 47E(d)

	<p>s 47E(d)</p> <p>Go to Step 5.</p>
5	<p>s 47E(d)</p>
6	<p>Sales coded using the s 47E(d) screen and New Home Deduction amounts + Read more ...</p> <p>Staff must use Process Direct to complete these updates.</p> <p>s 47E(d)</p> <p>See Coding income and assets for Centrelink payments and services for more details.</p> <p>s 47E(d)</p> <p>Procedure ends here.</p>
7	<p>Sales recorded using the manual solution on s 47E(d) + Read more ...</p> <p>s 47E(d)</p>

s 47E(d)

s 47E(d)

See [Coding income and assets for Centrelink payments and services](#) for more details.

Procedure ends here.

8

Sales recorded using the pre 1 January 2023 coding + Read more ...

s 47E(d)

s 47E(d)

See [Coding income and assets for Centrelink payments and services](#) for more details.

s 47E(d)

Procedure ends here.

9 **Change of assets, sales from 1 January 2023 under manual solution (RCA)** + Read more ...

s 47E(d)

The amount will be recorded in a **DOC**.

s 47E(d)

If the customer has additional funds from the sale that the customer does not intend to be used to secure their new home, see [Table 3 > Step 10](#).

Sale of home before 1 January 2023

On this page:

[Customer advises sale of their principal home](#)

[Updating the record when the principal home has been sold](#)

[Home ownership and deprivation assessment](#)

[Customer advises a change in proceeds of sale currently exempt under the assets test](#)

Customer advises sale of their principal home

Table 1

Step	Action
1	<p>Customer advises they have sold their principal home + Read more ...</p> <p>The home is considered sold:</p> <ul style="list-style-type: none"> once a legally binding and unconditional agreement for the sale of the property has been entered into, or all conditions are met if the agreement is subject to preconditions <p>This can be before the actual settlement date.</p> <p>If the sale of home involves:</p> <ul style="list-style-type: none"> payments to customers for homes purchased under the ACT Government Loose-fill Asbestos Insulation Eradication Scheme or the NSW Voluntary Purchase and Demolition Program, these payments are compensatory. See Exempt Assets the customer vacating their principal home before its sale is finalised, a reassessment of the principal home is required, see Permanent vacation of principal home or Temporary vacation of principal home the customer is in or about to move into aged care (this includes, self-funded customers, that is; s 47E(d)) the customer must provide details of any Refundable Accommodation Deposit (RAD) that has been paid. If: <ul style="list-style-type: none"> they are a member of a couple and the partner is intending to purchase or build a new principal home, go to Step 3 they are single, go to Step 4 a customer sharing with another person who is not a close family member or partner, consider the Living Arrangements question set and issue any required forms, go to Step 2 none of the above, go to Step 2
2	<p>Sale of home and purchase of another home + Read more ...</p> <p>If the customer advises they:</p> <ul style="list-style-type: none"> have already purchased another home, and the sale and purchase settlements: <ul style="list-style-type: none"> occurred on the same day, staff must code all changes relating to the sale and purchase in 2 separate activities in Process Direct. For more details, see Coding income and assets for Centrelink payments and services. Go to Step 4 occurred on different days, staff must code all changes relating to the sale and purchase in 2 separate activities in Process Direct. For more details, see Coding income and assets for Centrelink payments and services. Go to Step 4 have an existing s 47E(d) (Sale/Purchase of Home Property) exemption and is advising of the purchase of land, a deposit, or a progress payment for their new principal residence, see Table 4 sold their home and is planning to purchase or build or renovate another home, go to Step 3 sold their home and has other plans, go to Step 4
3	<p>Sale of home and purchase of another home - exemptions + Read more ...</p> <p>If the customer sold their home and is planning to purchase or build another home, they are still a homeowner during the initial exemption period of up to 12 months.</p> <p>The customer may get an extension of an additional 12 months on their exemption if the customer has a continuing intention to use the proceeds of the sale to purchase, build, rebuild, repair or renovate a new principal home and they:</p> <ul style="list-style-type: none"> have made reasonable attempts to obtain a new principal home, and have made those attempts within a reasonable period (within 6 months) after selling the principal home (evidence may be required), and

	<ul style="list-style-type: none"> • have experienced delays beyond their control in obtaining a new principal home <p>During the initial or extended exemption period:</p> <ul style="list-style-type: none"> • the portion of the proceeds from the sale of the former home that the customer intends to spend on their new principal home is exempt under the assets test. The exemption does not apply if customers have moved into their new home and then intend to undertake renovations • normal deeming provisions apply to the exempt amount <p>The sale of home provisions do not apply to customers permanently entering aged care, unless the spouse of a person entering care sells the family home with the intention to secure a new principal place of residence.</p> <p>If the property is larger than 2 hectares, the Extended Land Use Test may apply. See Assessing house and curtilage. If the excess land:</p> <ul style="list-style-type: none"> • was exempt under the Extended Land Use Test provisions, it is included as part of the sale proceeds • was not exempt, the value of the excess land does not form part of the exempt sale proceeds amount <p>Go to Step 4.</p>
4	<p>Details needed to record the sale + Read more ...</p> <p>To update a sale of home, all the following details must be provided :</p> <ul style="list-style-type: none"> • date of settlement • net amount received by customer from the sale after any fees, mortgage repayments etc • what the customer has done with the proceeds of the sale (for example deposited in a bank account). If the investment value is less than the sale amount, this may indicate that the customer has purchased a block of land, or paid a deposit on a house etc • whether or not customer intends to purchase, renovate, or construct a new home and if so, what portion of the sale proceeds do they intend to spend on their new house. For partnered customers, this includes details of what portion of the intended amount each member of the couple has invested • was the home gifted or sold for less than its value <p>s 47E(d) , see Verifying income and assets.</p> <p>Are the details of the sale of home and details of what the customer did with the proceeds available now?</p> <ul style="list-style-type: none"> • Yes, see Table 2 • No, go to Step 5
5	<p>Customer does not have full details + Read more ...</p> <p>Where full details of the sale of home are unavailable:</p> <ul style="list-style-type: none"> • Use Fast Note - select s 47E(d) to DOC the customer's record with: <ul style="list-style-type: none"> ◦ known details for the sale of the home ◦ extra details or documents needed ◦ Select s 47E(d) to close the DOC • Send a request for information using a QSS32 to the customer asking for the extra details or documents. See Resources for 'Sale of home' letter template for text to use in the letter • If the sale of the home involves deferred payments, or payment by instalments, request a copy of the sale agreement and loan agreement (if relevant) <p>Make sure all details of the sale are considered. For example, if the sale occurred several months ago, check if historical bank account or other updates are required.</p> <p>Consider updating address details.</p>

- **Blind customers:** If the customer is in receipt of a **Means Test free** Blind Pension, do not issue a request for information. **Exception:** take care if the customer is claiming Rent Assistance or they have a partner and the partner is **not** in receipt of a Means Test free payment. In this case, details are still needed
- **Aged Care Accommodation Payment:** Request details of dates and amounts of any lump sum accommodation payments. See [Aged care fees and charges - accommodation payments](#)

Once all information provided, see [Table 2](#).

Updating the record when the principal home has been sold

Table 2

Step	Action
1	<p>Details of sale of home are known + Read more ...</p> <p>Blind customers: If the customer is in receipt of a Means Test free Blind Pension, details of income and assets are not required. Except if they:</p> <ul style="list-style-type: none"> • are claiming Rent Assistance or • have a partner and the partner is not on a Means Test free payment <p>If the customer is permanently moving to aged care, more details are required.</p> <p>Check aged care status of both customer and partner (where applicable):</p> <p>s 47E(d)</p> <p>s 47E(d)</p> <p>See Aged care fees and charges - accommodation payments</p> <p>If the customer:</p> <ul style="list-style-type: none"> • has a partner and: <ul style="list-style-type: none"> ◦ both have entered or entering residential aged care, go to Step 3 ◦ only the customer has entered/entering aged care and the partner: <ul style="list-style-type: none"> - is intending to buy/build a new primary residence, go to Step 2 - is not intending to buy/build a new primary residence, go to Step 3 ◦ neither have entered or entering residential aged care or receiving home care, go to Step 4 • is single and: <ul style="list-style-type: none"> ◦ in or entering residential aged care, go to Step 3 ◦ receiving home care only, go to Step 2 ◦ is not in or entering aged care and not receiving home care, go to Step 4
2	<p>Accommodation details for sale of home + Read more ...</p> <p>For customers intending to purchase or build a new principal home and the customer is receiving home based care, check s 47E(d) on the s 47E(d) screen.</p> <ul style="list-style-type: none"> • For couples where one resides in aged care, leave the home ownership code as: s 47E(d)

s 47E(d)

See [Change of address to an aged care home](#) for more details.

[Go to Step 4.](#)

3

Aged care customer advising sale of home + Read more ...

A customer entering residential Aged Care (s 47E(d) screen) who has sold their home is no longer considered to be a homeowner.

If the customer tells Services Australia about the sale of their home in writing, staff may need to contact them for new address details. This is to ensure s 47E(d) and s 47E(d) screens are coded correctly.

Staff must complete the following actions using the s 47E(d)

s 47E(d)

s 47E(d)

Has the customer paid (or intending to pay) a **Refundable Accommodation Deposit**?

- **Yes**, [go to Step 4](#)
- **No**, see [Table 3](#)

4

Customer has paid or is planning to pay a Refundable Accom Deposit + Read more ...

If the care recipient has paid an accommodation payment, by either a lump sum or by a partial lump sum, payments will be updated on s 47E(d) screen:


s 47E(d)


If the customer does not have an RCA benefit status, and has paid a lump sum accommodation payment, see [Aged care fees and charges - accommodation payments](#).

	<p>A refundable accommodation deposit may be paid over several instalments. When a subsequent lump sum amount is paid after the first payment, code the total amount on the s 47E(d) screen, with a new date of effect. This includes the:</p> <ul style="list-style-type: none"> • date of any subsequent lump sum payments, and • accumulated total of lump sum payments that have been paid in total <p>This is a total of previous lump sum payments and the most recent lump sum payment. See Aged care fees and charges - accommodation payments for more details on coding s 47E(d) screen.</p> <p>Go to Step 5.</p>
5	<p>Deferred payments or payments by instalments + Read more ...</p> <p>Does the sale involve deferred payments or payment by instalments?</p> <ul style="list-style-type: none"> • Yes, go to Step 6 • No, see Table 3
6	<p>Documents for sale by instalment/deferred payment + Read more ...</p> <p>Customers must provide:</p> <ul style="list-style-type: none"> • copy of: <ul style="list-style-type: none"> ◦ sales agreement that verifies the terms and conditions of the sale ◦ settlement statement and any loan agreements if applicable ◦ property disclosure ◦ bank statements to verify funds that have been received to date • statement to confirm the amount the customer/s plan to spend on their new home, depending on where they have been invested <p>Send a request for information using a QSS32 to the customer asking for the documents. See Resources for 'Sale of Home' letter template for text to use in the letter.</p> <p>Once all documents have been provided:</p> <ul style="list-style-type: none"> • send an email to the Level 3 Helpdesk - Real Estate, Other Assets and Exempt Assets and Assets Hardship team, include: <ul style="list-style-type: none"> ◦ any background information around the sale by instalments/deferred payments ◦ the documents the customer has provided as evidence • If the documents do not provide all the information requested, contact the customer to address any details required for assessment and include any discussion in the email • DOC the record and note the case has been escalated to Level 3 Helpdesk

Home ownership and deprivation assessment

Table 3

Step	Action
1	<p>Determine if deprivation may apply + Read more ...</p>  <p>Does the estimated value appear to be less than the current market value?</p> <ul style="list-style-type: none"> • Yes, go to Step 2 • No, include the details in a DOC at the end of the process. Go to Step 3

2	<p>Determine deprivation + Read more ...</p>  <p>If the property appears to have been sold below its true market value a valuation is required (if not already received) as deprivation may apply.</p> <p>Deprivation is determined by obtaining the customer valuation and an approved valuation and calculating any difference:</p> <ul style="list-style-type: none"> • Request a valuation to obtain the true value of the purchase price • To establish the actual value of the home, request a valuation of the property from an authorised valuer unless a valuation has already been completed. See Valuation of real estate and other assets • When the valuations are returned, assess if deprivation has occurred. The deprivation amount is the difference between the customer valuation and the approved valuation from an authorised valuer <p>Did the customer gift the property or sell it for less than its value?</p> <ul style="list-style-type: none"> • Yes, deprivation may have occurred. Record Gift as per Assessing deprivation/gifting. Go to Step 3 • No, include the details in a DOC at the end of the process. Go to Step 3
3	<p>Customer's new accommodation + Read more ...</p> <p>What is the customer's new accommodation situation?</p> <p>If the customer:</p> <ul style="list-style-type: none"> • has purchased another home, see Purchasing another residence. Procedure ends here • intends to purchase, build, rebuild, repair or renovate a new principal home within 12 months, go to Step 4 • does not intend to purchase a new home within 12 months and is now renting new accommodation or living in other accommodation not owned by the customer or partner, go to Step 7 • is unable to access the sale funds due to temporary legal restrictions causing a pending property settlement, such as a separation from former partner or deceased estate, go to Step 8 • has moved into a home they already own, see Assessment and sale of real estate and timeshare asset. Procedure ends here • has entered/is entering a retirement village, see Retirement villages. Procedure ends here • has established granny flat interests, see Granny flat provisions. Procedure ends here
4	<p>Treatment of sale proceeds where customer intends to purchase or build another home within 12 months - sales before 1 January 2023 + Read more ...</p> <p>Obtain details from the customer of the expected date of completion/finalisation of sale and expected total cost of the new home.</p> <p>s 47E(d)</p> <p>For partnered customers, consider what portion of the intended amount each member of the couple has invested.</p> <p>Note: the start date for the assessment of sale proceeds depends on the circumstances of the sale, it may not always be the same as the settlement date. See Resources for examples.</p> <p>Land already owned (outright or mortgaged) by the customer on which they intend to build a new principal home, may be exempt from the assets test once the principal home sale proceeds have been received. See Table 7. Step 6 in Assessment and sale of real estate and timeshare asset.</p> <p>If the customer uses the proceeds of sale to purchase a block of land on which they intend to build a new principal home, the land may be exempt from the assets test for up to 12 months.</p> <p>The total exempt asset value must not exceed the sale price of the old principal home. The Resources page has examples.</p>

Complete updates in **Process Direct**.

s 47E(d)

To code the proceeds of the sale and the asset test deductions, [go to Step 5](#).

5

Coding sale proceeds against relevant investments + Read more ...

Complete updates in **Process Direct**.

See [Coding income and assets for Centrelink payments and services](#).

Code the proceeds of sale and the amount the customer(s) plan to spend on their new home, depending on where they have been invested as follows:

Bank account + Read more ...

s 47E(d)

Managed funds or shares + Read more ...

s 47E(d)

Loans to other parties + Read more ...

- The customer **must** state they will partially or fully recover the loan within the exemption period and use the funds for their new principal home

s 47E(d)

Income Streams + Read more ...

If the income stream was purchased with proceeds from the sale of their home, the customer must state they intend to partially or fully commute the income stream within the exemption period and use the proceeds for the new principal home. The assessment will depend on the type of income stream they have purchased.

If the income stream is considered a financial investment and subjected to deeming (for example Category 9 Account Based income stream (type ^{s 47E(d)} purchased after 1 January 2015 or a Category 3 Asset Tested short term income stream (type ^{s 47E(d)} if term is 5 years or under)) the following applies:

^{s 47E(d)}

If the income stream is not considered a financial investment, the income test based on the type of income stream purchased will determine the asset exemption. For example, Category 10 Lifetime Pooled Income Stream purchased on or after 1 July 2019 (types ^{s 47E(d)} or ^{s 47E(d)} Category 2 Life Expectancy Income Stream (type ^{s 47E(d)} or Category 2 Asset tested long term income stream (type ^{s 47E(d)} if term is more than 5 years) the following applies:

^{s 47E(d)}

- [Adding or updating a pooled lifetime income stream](#)
- [Adding or updating a life expectancy income stream](#)
- [Adding or updating a term income stream](#)
- [Commutation of asset-tested income streams](#)
- [Coding income and assets for Centrelink payments and services](#)

Foreign income and assets + Read more ...

Foreign savings and investments cannot be coded on the ^{s 47E(d)}

screen.

^{s 47E(d)}

	s 47E(d)
6	<p>Purchasing or building a new home + Read more ...</p> <ul style="list-style-type: none"> Ask the customer to provide details of any payments made for the deposit on their new home, construction costs or purchase of land so their investments can be adjusted. See Table 4 If applicable, update rent details and request appropriate rent verification. If coding s 47E(d) see Qualification for payment of Rent Assistance (RA) and Completing the s 47E(d) screen and assessing Rent Assistance Customers who have sold their home and purchased a mobile home to live in may be homeowners or non-homeowners, see Assessing caravans, boats and park homes DOC the record with details of the sale proceeds amount, intended amount(s) and details of where any proceeds have been invested <p>Procedure ends here.</p>
7	<p>No intention of purchasing another home + Read more ...</p> <p>If the customer has no intention to purchase another home, and is now living in accommodation they (or their partner) do not own:</p> <ul style="list-style-type: none"> Update all assets and income details including proceeds of sale. See Coding income and assets for Centrelink payments and services Update s 47E(d) <ul style="list-style-type: none"> See Qualification for payment of Rent Assistance (RA) Customers who have sold their home and purchased a mobile home to live in may be homeowners or non-homeowners. See Assessing caravans, boats and park homes For customers who have sold their former principal home and are living in aged care (Note: for partnered customers, the following applies if both are residing in aged care): <ul style="list-style-type: none"> s 47E(d) <ul style="list-style-type: none"> For assistance in coding, see Assessment and sale of real estate and timeshare asset Update the proceeds of sale depending on where it is invested. Note: the proceeds of sale pending the payment of a Refundable Accommodation Deposit (RAD), are an exempt asset, and are not subject to asset testing and deeming. Code the RAD as s 47E(d) <p>Once all updates are completed:</p> <p>s 47E(d)</p> <p>Procedure ends here.</p>
8	<p>Unable to access sale funds due to temporary legal restriction + Read more ...</p> <p>When a customer's principal home is sold, they may be unable to access the funds for legal reasons. This can be the result of situations such as:</p> <ul style="list-style-type: none"> a pending property settlement following the breakdown of a relationship, or the settlement of an estate

From the date of settlement of the home until the date a legal settlement is reached, if the customer does not have a legal entitlement to the proceeds of the sale, a nil income or asset value is assessed for the duration of this period. For this period, the customer is assessed as a non-homeowner.

If there are no legal restrictions, the funds are assessable from the date of settlement as this is when the ownership and funds are transferred. If they are held in a solicitor's trust account pending distribution to the seller, record these funds on [s 47E\(d\)](#) screen until deposited into the customer's account and assessed accordingly.

Has the customer's share of the proceeds from the sale of the home been determined?

- Yes, [go to Step 9](#)
 - No, [s 47E\(d\)](#)
- [s 47E\(d\)](#)

9

Proceeds of sale after legal restriction ceased + Read more ...

Note: the 12 month asset test exemption period or 24 month extended exemption period begins from the date of settlement so the customer may only benefit from the balance of the remaining months. While the asset test exemption is in place the customer is assessed as a homeowner.

Select from the below options:

Sale of the home occurred less than 12 months ago + Read more ...

Depending on what the customer intends to do, treat the funds as per the applicable steps:

- Intends to build/purchase, [go to Step 4](#)
- No intention to build/purchase, [go to Step 7](#)

Sale of the home occurred between 12 and 24 months ago + Read more ...

Depending on what the customer intends to do, treat the funds as per the applicable steps:

- intends to build/purchase, [go to Step 4](#)
- no intention to build/purchase, [go to Step 7](#)

Sale of home occurred more than 24 months ago + Read more ...

The customer's share of the funds are treated as an asset and deeming is applied from the date the customer is entitled to receive the funds. An asset test exemption is not applicable and the customer is assessed as a non-homeowner. [Go to Step 6.](#)

Customer advises a change in proceeds of sale currently exempt under the assets test

Table 4

Step	Action
1	<p>Change in balance of investments with a current assets test exemption + Read more ...</p> <p>If the customer has contacted to advise:</p> <ul style="list-style-type: none"> they have purchased a block of land to commence building their new principal home, go to Step 2 they have completed the purchase, building, rebuilding, repair or renovation of a new principal home before the maximum exemption period (12 months), go to Step 3 their investment balances have changed for proceeds of sale currently exempt under the assets test, go to Step 4
2	<p>Use of proceeds of sale to purchase a block of land + Read more ...</p> <p>If a customer uses the proceeds of sale to purchase a block of land to build their new principal home, the block of land:</p> <ul style="list-style-type: none"> is not assessable does not need to be coded on the s 47E(d) screen <p>Has the customer used all proceeds of sale for their new principal home?</p> <ul style="list-style-type: none"> Yes, go to Step 3 No, go to Step 4
3	<p>Customer has new principal home ending the assets test exemption + Read more ...</p> <p>Confirm with the customer they have completed the purchase, build/rebuild, repair or renovation of a new principal home, or purchased a block of land and have used all the proceeds from the sale of their former home.</p> <p>Obtain the details of the customer's new principal home, including:</p> <ul style="list-style-type: none"> Date of settlement/completion New address details if they have purchased a new home Details of investments, confirming the portion of exempt funds was used for the new principal home <p>If all relevant details can be provided, update the customer's record to end the exemption period.</p> <p>In Process Direct:</p> <ul style="list-style-type: none"> update homeownership status on the s 47E(d) screen update related changes/balances in investments/assets. See Coding income and assets for Centrelink payments and services for more detail record all details in a Fast Note <p>Procedure ends here.</p>
4	<p>Customer has used some of the proceeds of sale that are assets test exempt + Read more ...</p> <p>Obtain details of the funds that have been used to purchase, build, rebuild, repair or renovate a new principal home from the customer including:</p> <ul style="list-style-type: none"> Date withdrawn

	<ul style="list-style-type: none">• Amount withdrawn• Where funds have gone/been used for• New balance(s) after withdrawal <p>If all relevant details can be provided, update the customer's record:</p> <p>Locate the relevant investment (s 47E(d) screens) and update the balance, s 47E(d)</p>
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Vacation of home review - 12 and 24 month reviews

Vacation of home review

Table 1

Step	Action
1	<p>Vacation of home - Sale of principal home + Read more ...</p> <p>Where a customer sells their principal home, the portion of the proceeds they intend to use to buy, build, rebuild, repair or renovate a new principal home is an exempt asset for up to 24 months from the date the property settlement was completed.</p> <p>Note: 12 month exemptions apply to sales before 1 January 2023, and 12 months home vacation reviews will still occur for these customers.</p> <ul style="list-style-type: none">• A review is created to determine if:<ul style="list-style-type: none">◦ the customer has advised the purchase or completion of renovation or build of a new home◦ disregarded assets are already updated◦ criteria for an extended exemption are met• Update the customer's record on expiry of the asset exemption period:<ul style="list-style-type: none">◦ update homeownership status◦ remove asset value exemptions◦ update related changes in assets <p>Vacation of home (s 47E(d) reviews for the sale of principal home include:</p> <p>s 47E(d)</p>
2	<p>Current payment + Read more ...</p> <p>Is the customer currently getting an income support payment (ISP) including ABSTUDY, Farm Household Allowance (FHA) (includes suspended payments), a Low Income Health Care Card (LIC), or has a status of s 47E(d)</p> <p>Note: if the customer's partner also gets an ISP, a review may be due on the partner's record.</p> <ul style="list-style-type: none">• Yes, go to Step 3• No, no review required<ul style="list-style-type: none">◦ Remove the reason and date home vacated from s 47E(d) screen◦ Finalise the review

	<ul style="list-style-type: none"> Record details in a DOC using Fast Note - select s 47E(d) <p>Procedure ends here.</p>
3	<p>Blind customers + Read more ...</p> <p>Customers in receipt of DSP (Blind) or Age Pension (Blind) payments are not subject to the income and asset tests unless they are paid Rent Assistance (RA). To confirm status, check Benefit Status line on s 47E(d).</p> <p>Is this customer or partner in receipt of DSB - DSP (Blind) or AGB - Age Pension (Blind)?</p> <ul style="list-style-type: none"> Yes, go to Step 4 No, go to Step 5
4	<p>Customer is in receipt of DSB or AGB + Read more ...</p> <p>Check s 47E(d) screen and s 47E(d) screens.</p> <p>A customer does not need to disclose their income and assets if they are in receipt of a Blind pension, except for the following reasons:</p> <ul style="list-style-type: none"> Claiming or in receipt of Rent Assistance (RA), or Having a partner who is on or applying for an income support payment (other than Blind) <p>Is the customer or partner in receipt of DSB or AGB and is required to disclose their income and assets?</p> <ul style="list-style-type: none"> Yes, go to Step 5 No, s 47E(d) <ul style="list-style-type: none"> Finalise the review. record details in a DOC using Fast Note - select s 47E(d) <p>Procedure ends here.</p>
5	<p>Evidence of purchase, completion of renovation or building of principal home + Read more ...</p> <p>Determine if customer has provided notification of the finalised purchase or completion of renovations or building of a new home and the disregarded assets are already updated. Check for evidence on the customer's record that the customer is residing in their new home:</p> <p>s 47E(d)</p> <p>Are further details needed?</p> <ul style="list-style-type: none"> Yes, go to Step 6 No, go to Step 10

6	<p>Request for information + Read more ...</p> <p>Where the customer has not advised they have purchased or completed renovating or building a new principal home:</p> <ul style="list-style-type: none"> • make a request for information using a QSS32 – Vacation of home review - Sale of home. See Resources for the text to use in the letter • If the customer has a correspondence nominee, copies of letters and notices sent to the customer must also be sent to the nominee • Place the review on hold for 14 days+ time for delivery • Record details in a DOC - using Fast Note - select s 47E(d) • Procedure ends here, pending response or due date <p>Has a response to the request for information been returned, with the required information?</p> <ul style="list-style-type: none"> • Yes, go to Step 8 • No, go to Step 7
7	<p>Follow up contact + Read more ...</p> <p>Where the requested documentation has not been provided, make 2 genuine attempts to contact to:</p> <ul style="list-style-type: none"> • explain the vacation of home review requirements • confirm the purchase or completion of renovations or building a new principal home • confirm current mailing addresses for customer and nominee (update if required) • determine if an extension is required to provide requested documents <p>Has the end date of the exemption period been reached?</p> <ul style="list-style-type: none"> • Yes, go to Step 12 • No, <ul style="list-style-type: none"> ◦ hold the review until the end date of the exemption period ◦ record details in a DOC- using Fast Note - select s 47E(d)
8	<p>Details for former home + Read more ...</p> <p>Has the customer purchased or completed renovating or building a new principal home?</p> <ul style="list-style-type: none"> • Yes, go to Step 10 • No, go to Step 9
9	<p>Extension of exemptions + Read more ...</p> <p>Is the customer seeking an extension to the asset tests exemption for up to an additional 12 months?</p> <p>An additional 12 month exemption may be available only if the customer has a continuing intention to apply the proceeds of the sale to purchase, build, rebuild, repair or renovate a new principal home and they:</p> <ul style="list-style-type: none"> • have made reasonable attempts to obtain a new principal home, and • have been making those attempts within a reasonable period (that is, 6 months for pre 1 January 2023 or 12 months for post 1 January 2023) after selling the principal home, and • have experienced delays beyond their control in obtaining a new principal home <p>The customer must provide evidence to show reasonable attempts have been made and may need to show evidence these attempts have been made within a reasonable time.</p> <p>Has an extended extension been granted?</p>

	<ul style="list-style-type: none"> • Yes, s 47E(d) <p style="text-align: right;">See Purchasing another residence ></p> <p>Granting an extended exemption:</p> <ul style="list-style-type: none"> ◦ Tell the customer the extension has been extended and for what period by sending the Q999 letter, and they must advise within this time period when they have purchased, completed building, rebuilding, repairing or renovating a new principal home ◦ Finalise the review ◦ Record details on a DOC ◦ Procedure ends here <ul style="list-style-type: none"> • No, go to Step 11
10	<p>Purchased or completed renovating or building a new principal home + Read more ...</p> <p>If the customer has purchased or built a new principal home:</p> <ul style="list-style-type: none"> • Follow the process for Purchasing another residence <p>s 47E(d)</p> <ul style="list-style-type: none"> • Finalise the review. • Record details in a DOC using Fast Note - select s 47E(d) <p>s 47E(d)</p> <p>Procedure ends here.</p>
11	<p>Failed to purchase, renovate or build a new principal home + Read more ...</p> <p>If the customer has failed to purchase or build a new principal home by the end of exemption period:</p> <ul style="list-style-type: none"> • the customer is treated as a non-homeowner • proceeds of sale are assessed as an asset and subject to normal income testing <p>On the s 47E(d) screen s 47E(d)) in Process Direct:</p> <p>s 47E(d)</p>

s 47E(d)

See:

- [Adding or updating a pooled lifetime income stream](#)
- [Adding or updating a life expectancy income stream](#)
- [Adding or updating a term income stream](#)
- [Commutation of asset-tested income streams](#)

On the s 47E(d) screen in **Process Direct**:

s 47E(d)

- [finalise the review](#)
- record details in a **DOC** using [Fast Note](#) - select s 47E(d)

s 47E(d)

Procedure ends here.

12

Suspend income support payment + Read more ...

Where the customer was sent an appropriate request for information/action and failed to reply within a reasonable timeframe, the payment may be suspended ^{s 47E(d)}. Refer to the payment specific process for suspension instructions, [Suspension of payments \(CLK\)](#).

DOC the suspension of payment and include the text:

s 47E(d)

s 47E(d)

Has the customer passed away while the payment is suspended?

- **Yes**, [go to Step 13](#)
- **No**, procedure ends here

13

The customer has passed away while payment is suspended + Read more ...

Check the customer's record for any scanned documents.

Have any documents for the vacation of home – sale of principal been returned?

- **Yes**, before completing the death action:
 - restore the payment
 - action and finalise the review
 - proceed with death action
- **No**, Service Officers in service centres or smart centres can:
 - restore payment from the date payment was suspended, and
 - proceed with the death action

Procedure ends here.

References

Policy

[Social Security Guide 4.6.3 Assessing the Principal Home](#)

[Social Security Guide 3.8.1 RA - Qualification & Payability](#)

[Social Security Guide 4.4.1 General Provisions for Deeming](#)

[Social Security Guide 4.3.8.20 Income from Sale of Property - Payments Deferred or by Instalments](#)

[Social Security Guide 4.6.2.10 General provisions for exempt assets](#)

[Social Security Guide 4.6.3.80 Exempting the principal home - sale proceeds \(for homes sold between 01/07/2007 & 31/12/2022\)](#)

[Social Security Guide 4.6.3.90 Exempting the principal home - sale proceeds \(for homes sold on or after 01/01/2023\)](#)

[Social Security Guide 4.6.3.10 General Provisions for Assessing the Principal Home](#)

[Social Security Guide 4.6.5.60 Assessing Loans & Guarantor Arrangements](#)

[Social Security Guide 4.6.6.30 Encumbrances & Loans Against Assets](#)

[Social Security Guide 4.6.5.30 Assessing Property, Real Estate & Unit Trusts](#)

Legislation

Links to the Federal Register of Legislation site go to an 'All versions' page. Select the 'Latest' version.

[Social Security Act 1991](#)

- section 1118(2), Certain assets to be disregarded in calculating the value of a person's assets
- section 11, Assets test definitions
- section 9(1), Financial assets and income streams definitions

Resources

Contact details

[Income Support Means Test team](#)

Intranet links

[Office Locator](#)

Letter templates

Table 1

Item	Description
1	<p>QSS32 - Sale of home</p> <p>You have advised of the sale of your former home and we are requesting further information regarding the sale.</p> <p>This may affect your rate of payment.</p> <p>Questions:</p> <p>As you have sold your former home, complete and return the following questions, or the documents that provide this information.</p> <p>What was the settlement date of the sale of your former home?</p> <p>What was the net amount received from the sale of your former home after all sale expenses were deducted?</p> <p>Where were the proceeds of the sale of your former home deposited (including the relevant dates and amounts)? For example, please provide bank account and date of the deposits.</p> <p>Was the sale of the home by deferred payments or payment by instalments?</p> <p>If yes, please provide a copy of the sale agreement and the loan agreement, where a loan agreement has been made.</p> <p>Do you intend to purchase or construct a new home with the proceeds of the sale?</p> <p>If yes, what is the amount to be set aside for the purchase or construction?</p> <p>Was the home gifted or sold for less than its market value?</p>
2	<p>QSS32 - Vacation home review - Sale of former home</p> <p>Our records indicate that you sold your home and you intended to build or purchase another home. The proceeds from the sale were given an exemption from the assets test. We are requesting further information as the exemption period is due to end. This may affect your rate of payment.</p> <p>Questions:</p> <p>Have you purchased or finished building a new home?</p> <p>If yes, please advise of the date you purchased or finished building the new home.</p> <p>If you have already moved into your new home, what is the address and the date you moved.</p> <p>If no, please advise of the date when you expect this to occur.</p> <p>If you have purchased land for a new home and not finishing building, please complete a Real Estate details form (MOD R).</p> <p>Are you still in the process of purchasing or building a new home?</p> <p>If yes, have there been delays beyond your control (council delays, agreements)?</p> <p>If yes, an extension of the asset exemption can be considered, if you provide documentary evidence that supports the reason for the delay.</p>

Examples of assessments and exemptions for real estate

Table 2

Item	Description
1	<p>Principal home sold during a period of temporary absence – before 1 January 2023</p> <p>If the customer, or their partner, sells the principal home during a period of temporary absence and intends to apply the proceeds to purchase, build, rebuild, repair or renovate a new principal home, the proceeds to be used for the new home are not counted as an asset for 12 months from the date of settlement if sold before 1 January 2023. The income support recipient remains a homeowner throughout the exemption period.</p> <p>Example</p> <p>Customer vacated home on 12 July 2022 for an extended trip around Australia and continues to be assessed as a homeowner (so their home is exempt from the assets test) for up to 12 months from that date. On 15 December 2022, while the customer is absent, their principal home sells. The customer intends to purchase a new principal home from the proceeds of the sale within the next 12 months. The 12 month asset exemption on the proceeds of sale commences from the date of settlement, which is 15 December 2022.</p>
2	<p>Customer moves into investment property or a caravan</p> <p>Customer moves into investment property or a caravan they own and intends to obtain a new principal home.</p> <p>A customer cannot have both an exemption for the proceeds of the sale of their former home as well as an exemption for a current principal home they own and are living in. The investment property or caravan continues to be counted as an asset.</p> <p>Example</p> <p>Joan sells the principal home and moves into either another home, which was previously an investment property, or a caravan Joan owns. Joan cannot gain a principal home exemption on the home being lived in as well as having the sale proceeds exempt from the assets test. In this case, Joan wants the proceeds from the original home (or caravan) to be exempt while using them to build the new home. Therefore, given Joan does not intend the home (or caravan) currently being lived in to be the principal home it will be assessed as an asset. The sale proceeds that will be used to build a new principal home will be exempt from the assets test.</p>
3	<p>Customer purchases land with intention to build new principal residence – on or after 1 January 2023</p> <p>Example</p> <p>Mike sells the principal home on 18 January 2023 for \$500,000 and purchases a block of land for \$200,000 where Mike will build a new principal home. Mike invests the balance of \$300,000 in a term deposit. As this land will be Mike's new principal home, it is exempt from the assets test for up to 24 months and is not coded on ^{s 47E(d)}. Provided Mike has advised the remaining \$300,000 will be used exclusively to build the new principal home, it will also be exempt from the Asset Test for up to 24 months and deemed at the lower deeming rate only.</p>
4	<p>Attempts to obtain a new principal home not within a reasonable time</p> <p>An extended exemption does not apply if the customer has not made reasonable steps to obtain a new principal home within 6 months of the sale of the old principal home.</p> <p>Example</p> <p>Sam and Jenny settled the sale of their principal home on 20 December 2021. They went overseas and came back to Australia on 30 October 2022. They entered into a contract of sale to purchase a new home on 15 December 2022 and settlement will occur on 15 March 2023. In this case, although Sam and Jenny made reasonable attempts (that is, they entered into a contract of sale to purchase a new home within 12 months) they did not make those attempts within a reasonable period (that is, within 6 months) from the date of settlement. In this case, Sam and Jenny cannot gain an extended exemption for principal home sale proceeds.</p>
5	<p>Assessment of sale proceeds differs from the date of the property settlement</p> <p>Example</p> <p>Bobby's home property was sold on 15 October 2021 with settlement taking place on 15 November 2021. Proceeds from the sale are deposited into the Solicitor's trust account on 15 November 2021 and held by the Solicitor until a property</p>

	<p>settlement is reached between Bobby and their former partner. A property settlement is reached by court order on 11 April 2022, and Bobby receives their share of the proceeds. Bobby intends to use 100% of these proceeds to purchase and renovate a new home</p> <p>Bobby's funds from the settlement are updated from 11 April 2022 when they are received. However, the asset value of these funds is subject to the asset test exemption from 15 November 2021 (date of settlement) to 14 November 2022. If Bobby is not able to finalise the purchase of a new home by this date, they can apply for an additional 12 month exemption (not exceeding 14 November 2023).</p> <p>If there are no legal restrictions, the funds are assessable from the date of settlement as this is when the ownership and funds are transferred. If they are held in a Solicitor's trust account pending distribution to the seller, these funds should be recorded on ^{s 47E(d)} until deposited into the customer's account and assessed accordingly.</p>
6	<p>Delays out of customers control to obtain a new principal home</p> <p>Examples include but are not limited to:</p> <ul style="list-style-type: none"> • Delays in obtaining building approval from local shire council. This has in turn delayed entering an agreement with a builder • Caring for a close family member in a separate location to the place the customer is to build their new principal home • Customer is hospitalised for an extended period • Demands on the building industry are stretched in a particular area, for example due to a natural disaster like a flood or cyclone damage to area <p>Example</p> <p>The Smiths sold their principal home in October 2021. They purchased a block of land in January 2022 and were unable, due to delays with developers, to commence building on the land until June 2022. The Smiths signed a contract in June 2022 for building completion by January 2023. The builder experienced delays and the new home was only partially complete by January 2023. The builder estimates home completion by March 2023.</p> <p>In this case, given the Smiths:</p> <ul style="list-style-type: none"> • made reasonable attempts (that is, buying a block of land and signing a contract to build a home within 12 months) • made those attempts within a reasonable period (buying a block of land within 6 months), and • experienced delays beyond their control (developer and builder delays) <p>They would gain access to the extended exemption for the period of October 2022 to the end of March 2023.</p> <p>Evidence</p> <p>Documentary evidence will be required to support the extended exemption, for example correspondence from the local shire council or builder.</p>
7	<p>When does exemption end?</p> <p>The principal home sale proceeds exemption ends when one of the following events first occurs:</p> <ul style="list-style-type: none"> • The new principal home is purchased, or the building or rebuilding, repair or renovation is complete • The customer no longer intends to purchase, build or rebuild, repair or renovation another principal home from the proceeds of the sale • When the approved exemption period expires, for example after initial 24 months (12 months, before 1 January 2023) if an extended exemption does not apply or after 24 months when the extended exemption expires • After 36 months (24 months before 1 January 2023) if an extended exemption was granted • Where a customer has sold their principal home via instalments or deferred payments the exemption ends 24 months (12 months before 1 January 2023) from the date of settlement. This is because only the payments received within 24 months (12 months before 1 January 2023) of the sale are exempt <p>Example</p> <p>On 10 January 2023, the Joneses sold their principal home with the intention of purchasing a new principal home. However, on 20 June 2023 the Joneses decide they no longer want to purchase a new principal home but would rather</p>

	purchase a campervan and travel around Australia. The principal home sale proceeds exemption ceases on 20 June 2023, when the intention to purchase a new principal home ceased.
8	<p>Not all proceeds from the sale are used for the purchase or building of a new home</p> <p>Customer receives \$450,000 from the sale of the principal home and intends to use \$375,000 of this to purchase a new principal home. The customer plans to use the balance (\$75,000) to purchase a new car, furniture and an overseas holiday.</p> <p>In this case, only \$375,000 is exempt as the customer intends to use this amount to purchase the new principal home. If the home is sold after 1 January 2023, this amount will also be deemed at the lower deeming rate only.</p>
9	<p>Income stream is purchased with proceeds of sale</p> <p>Peter receives \$750,000 from the sale of the principal home and intends to use \$400,000 for the purchase of a new home. Peter has purchased an income stream for \$350,000.</p> <p>As the income stream purchase price is equal to the exact amount of left over sale proceeds (\$350,000) this can be coded on the s 47E(d) screen. This will avoid unnecessary delays with the Automation of Income Stream Review (AISR) process.</p> <p>See Adding or updating an account-based income stream.</p> <p>Joan receives \$750,000 from the sale of the principal home and intends to use \$350,000 for the purchase of a new home. Joan has purchased an income stream that meets the definition of a financial investment and is subject to deeming for \$250,000 and some shares for \$150,000.</p> <p>As the income stream purchase price is not equal to the exact amount of left over sale proceeds (\$400,000) the income stream and shares must be updated on the s 47E(d) screen. See Process > Sale of home from 1 January 2023 subtab > Table 3 > Step 6.</p> <p>If the income stream Joan had purchased did not meet the definition of a financial investment, it would still be entitled to an asset exemption, with the income test is based on the type of income stream purchased. See the Process page for relevant pre or post January 2023 sale proceeds instructions.</p>
10	<p>Assessment of land already owned by the customer to be used to build a new home - from 1 July 2007</p> <p>Assessment from 1 July 2007</p> <p>The maximum total asset value, which may be exempt, is the value of the proceeds of the sale of the old principal home.</p> <p>Example 1</p> <p>Sally purchased a block of land for \$100,000 with a \$100,000 (100%) mortgage before selling the principal home. Sally sold the principal home and received \$350,000 on 30 July 2022. Sally used some of the proceeds to pay off the mortgage on the block of land. Sally placed the balance of the settlement funds in a bank account. Sally intends on using the funds to build a new principal home on the block of land. In this case, the block of land and the funds in the bank account can be exempt from 30 July 2022 as the total is equal to the value of the net proceeds received from the sale of the previous home.</p> <p>The exempt value of the land and the funds in the bank account would be the lesser of the amount received for the old house and the amount Sally will spend on the new one, including the land.</p> <p>Example 2</p> <p>John has a block of land worth \$200,000 with a \$100,000 mortgage. John sells the principal home for \$300,000 and intends to build on the block of land. John uses \$100,000 from the sale proceeds to pay off the mortgage on the land and intends to use the balance of the funds (\$200,000) to build a new principal home.</p> <p>The value of equity in the land and money from the proceeds of the sale is \$400,000; this is \$100,000 more than the amount received from the sale. An exemption applies only to \$300,000 (the amount the principal home sold for). The exemption would apply to the amount paid to pay off the land (\$100,000) and the balance of funds from the sale (\$200,000). The \$100,000 equity previously owned for the land is still an assessable asset, as the exemption amount cannot be more than the proceeds from the sale of the old principal home.</p> <p>Example 3</p>

	<p>Prue sells the principal home for \$300,000. Prue owns outright a block of land on which the intention is to build a new home. The land is worth \$100,000. Prue spends \$100,000 of the proceeds from the sale of the home on a caravan and 4 wheel drive to travel around Australia while the new home is being built. Prue intends to use the remainder of the proceeds to build the new home. In this case, the block of land worth \$100,000 and the \$200,000 to build the new home are exempt. The total exemption allowable in this case is \$300,000, which equals the sale proceeds of the former principal home.</p> <p>The customer must uniquely identify the location of any real estate or business site they own or in which they have an interest.</p>
11	<p>Example of funds being used to purchase new principal home</p> <p>Updates can be made to the savings account as it decreases in value when the customer uses the funds, for example progressive payments for a house being built. Remember to adjust the s 47E(d) on the s 47E(d) screen by the equal value.</p> <p>At time of sale</p> <p>A customer sells their home for \$350,000 and intends to use \$275,000 on a new home soon to be under construction. The s 47E(d) screen at the time of sale was updated with a \$350,000 balance and \$275,000 to be used on the new home is the asset test deduction amount.</p> <p>Two months later</p> <p>The customer advises they paid \$100,000 as a progressive payment for the building of the home. The balance of the account is now \$250,000.</p> <p>The s 47E(d) screen is updated with a balance of the account, at \$250,000, with the asset test deduction amount decreasing by the \$100,000 used on the house to \$175,000.</p> <p>Additional 3 months later</p> <p>The customer advises they paid another \$50,000 for the building of the home. The balance of the account is now \$200,000.</p> <p>The s 47E(d) screen is updated with a balance of the account, at \$200,000, with the asset test deduction amount decreasing by the \$50,000 used on the house to \$125,000.</p> <p>The asset test deduction amount decreases by the amount the customer uses on the home. It is important the asset test deduction amount is the amount intended for the new home only. It cannot be more than the funds from the sale of the home. If the customer at a later time states the home will not cost the original \$275,000 as advised and will now only be \$250,000, the asset test deduction amount reduces by the \$25,000 reduction in the cost of the new home.</p>
12	<p>Customer sells and transfers title of home – sale by instalments</p> <p>Any exemption under the sale of home provisions can only start from when the customer has received funds from the sale. For example, Customer signs a contract to sell their home by instalments on 12 Feb 2023, with settlement and the transfer of the title occurring 1 March 2023. The customer does not receive their first instalment until 1 May 2023. The date of settlement is 1 March 2023, but the sale proceeds exemption applies from the date of the first instalment for the balance of the exemption period i.e. 22 months from 1 May 2023 up to 28 Feb 2025.</p>
13	<p>Foreign currency and exchange rates</p> <p>Customer sells home for \$1M NZ and intends to spend the whole amount. Based on a theoretical exchange rate, this equals A\$1.1m sale proceeds. The s 47E(d) and s 47E(d) screens are updated to record \$1.1m in sale proceeds and new home deductions. At the next reassessment, the exchange rate drops and the account balance increases to A\$1.15. The new home deduction amount is also updated to A\$1.15m.</p> <p>As the sale proceeds amount on the s 47E(d) screen still shows a sale amount of \$1.1m, this must be updated to \$1.15m to reflect movement in the exchange rate and to s 47E(d) as the deduction now exceeds the sale amount.</p> <p>Should the exchange rate go the other way, the sale proceeds amount would then be adjusted downwards as it is still the same amount in the country of origin.</p>

14	<p>Principal home held in a private company or trust</p> <p>Julie is the 100% attributable stakeholder of the Jones family trust</p> <p>Trust assets</p> <ul style="list-style-type: none"> • Principal home: \$700,000 • Financial assets: \$500,000 • Total Trust assets: \$1,200,000 <p>Trust liability</p> <ul style="list-style-type: none"> • Beneficiary loan account to Julie: \$220,000 <p>Net trust assets: \$980,000 (\$1,200,00 - \$220,000)</p> <p>Trust assets attributed to Julie \$980,000 - \$700,000 (exempt principal home) = \$280,000</p> <p>The actual trust income, including actual income on financial investments, would be attributed to Julie</p> <p>Direct personal asset assessed against Julie, i.e.. Loan to Jones family trust: \$220,000 would still be subject to normal income test deeming rules</p> <p>If the home owned by the trust is sold and the proceeds are held in the trust with an intention to spend all of the \$700,000 on a replacement home owned by the trust, the following would apply:</p> <p>Trust assets</p> <ul style="list-style-type: none"> • Financial assets (including \$700,000 principal home proceeds): \$1,200,000 <p>Trust liabilities</p> <ul style="list-style-type: none"> • Beneficiary loan account to Julie: \$220,000 <p>Net Trust assets: \$980,000 (1,200,000 - \$220,000)</p> <p>Trust assets attributed to Julie \$980,000 - \$700,000 (exempt principal home proceeds) = \$280,000</p> <p>The actual trust income, including actual income on financial investments, would be attributed to Julie.</p> <p>Julie's loan to the Jones family trust is \$220,000 and is subject to normal income test deeming rules.</p>
15	<p>Principal home proceeds held in a private company or trust</p> <p>John is a homeowner, and his principal home is valued at \$800,000. This home is in their personal name.</p> <p>John is also the 100% attributable stakeholder of the Smith family trust</p> <p>Trust assets</p> <ul style="list-style-type: none"> • Financial assets: \$400,000 <p>Trust liability</p> <ul style="list-style-type: none"> • Beneficiary loan account from John: \$220,000 <p>Net trust assets</p> <p>\$180,000 (\$400,000 - \$220,000)</p> <p>Trust assets attributed to John \$180,000</p> <p>John has sold their principal home which was in their personal name (not held by the trust) and while looking to purchase a new home John has placed the sale proceeds in a term deposit held by the Smith family trust.</p>

	<p>The actual trust income, including actual income on financial investments, would be attributed to John.</p> <p>John's loan to the Smith family trust is \$220,000 plus \$800,000 contributed to the trust would be subject to normal income test deeming rules.</p> <p>When the home owned by John is sold and the proceeds are held in the trust with an intention to spend all the \$800,000 on a replacement home, the following would apply:</p> <p>Trust assets</p> <ul style="list-style-type: none">Financial assets (including \$800,000 principal home proceeds): \$1,200,000 <p>Trust liabilities</p> <ul style="list-style-type: none">Beneficiary loan account from John: \$1,020,000 <p>Net Trust assets:</p> <p>\$180,000 (\$1,200,000 - \$1,020,000)</p> <p>Trust assets attributed to John \$180,000 - \$800,000 (exempt principal home proceeds) = \$0</p> <p>The actual trust income, including actual income on financial investments, would be attributed to John.</p> <p>John's loan to the Smith family trust: \$1,020,000 is subject to the normal income test deeming rules.</p> <p>Note: the principal home sale proceeds amount itself is exempt as an asset of the trust, however, the capital injection of \$800,000 into the trust which is reflected as a loan from John to the trust, is not exempt under asset testing.</p>
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Manual calculation of deemed income

Table 3

Item	Description
1	Manual calculation for the deemed income for pensioners, allowees with a pensioner partner or single allowee customers: s 47E(d)
2	Manual calculation for the deemed income for allowee customers without a pension partner: s 47E(d)

Forms

[Additional Income and Assets \(MOD IA\)](#)

Calculator

Note: use 'Save As' [workaround to download/use attachment](#)



[Deeming calculator for sale of primary residence completed from 1 January 2023](#)

Training & Support

Add the course number to the s 47E(d) field in the s 47E(d) in ESSentials:

- s 47E(d) - Selling a home and buying another