

What is the Age Pension?

It is a primary source of income for many older Australians in retirement, payable by the Australian Government if you meet the eligibility criteria.

Eligibility

To receive this payment, you must:

- Be Age Pension Age or over
- Meet the pension income and assets tests
- Be an Australian resident at the time of the application and for at least 10 years with at least five of these years in one period.

There may be additional residence requirements depending on your circumstances at the time of your application.

Age Pension age

If your birthday is:	Your Age Pension age is:
1 July 1952 – 31 December 1953	65.5
1 January 1954 – 30 June 1955	66
1 July 1955 – 31 December 1956	66.5
On or after 1 January 1957	67

Income and Assets test

When calculating your payment, Centrelink will apply an income and assets test. Whichever test generates the lower amount will determine your rate of payment. If your income or assets exceed the cut-off limit for either test, your payment ceases.

If you are a member of a couple, your income and assets plus those of your partner are assessed. This applies regardless of whether your partner is eligible for, or in receipt of, the age pension.

You are a member of a couple if you are:

- Legally married
- In a registered relationship (same sex or different sex)
- In a de facto relationship (same sex or different sex)¹

Assessable income

Income counted for the income test generally includes:

- Salary or wages
- Deemed income
- Rent
- Distributions from trusts and companies
- Payments from pensions and annuities

Depending on the pension and annuity type, some or all of the payment may be counted.

Financial assets generate deemed income

Deeming rules are used to work out income from financial assets. It is a set of rules which assume certain assets earn a set rate of income, no matter what they really earn.

Financial assets which generate deemed income:

- Savings accounts and term deposits
- Managed investments, shares, loans you make and debentures
- Some account-based pensions (ABP) – If you commenced an ABP before 1 January 2015 and you did not continuously receive an age pension payment since that date, deeming applies. An ABP commenced on or after 1 January 2015 is also deemed.
- Most term annuities payable for less than 5 years²
- Assets you have given away that over the allowable gifting threshold³
- Investment bonds

Work bonus

The Work Bonus applies to pensioners of Age Pension age and aims to encourage paid employment by reducing the amount of employment income included under the income test.

1. De facto spouse generally means someone who is living with you as your partner on a permanent or indefinite basis.

2. If the term of the annuity is greater than your life expectancy, it is not deemed for the income test.

3. \$10,000 permissible gifting limit each year up to \$30,000 over five financial years.

Fact sheet: What is the Age Pension?

Under the Work Bonus, the first \$300 of fortnightly income from work is not assessed as income under the income test. Any unused amount of the fortnightly \$300 Work Bonus will accumulate in a Work Bonus income bank, up to a maximum amount of \$11,800.

From 1 January 2024, a person commencing the Age Pension will receive an upfront \$4,000 starting credit in their work bonus income bank.

The amount accumulated in the income bank can be used to offset future income from work that would otherwise be assessable under the income test.

The income bank amount is not time limited; if unused it carries forward, even across years.

Employment income, and self-employment income from gainful employment is eligible for work bonus. However employment income does not include superannuation payment.

For more information, visit www.servicesaustralia.gov.au and search 'Work Bonus'.

Assessable assets

An asset counted under the assets test generally includes:

- Business assets
- Caravans, cars, boats
- Home contents
- The current value of pensions and annuities
- Financial assets
- Property
- Your interest in a trust or company
- Some gifts you make

Assets or income you give away to friends or family can also be assessed. For more information, refer to ['What are the social security gifting rules?'](#).

Exempt assets

There are some assets which are not assessed. They include:

- Your home and renovations you make to it.
- Amounts held in a super fund whilst under Age Pension age.
- A portion of some term allocated pensions (subject to additional criteria).

- The current value of a complying pension/annuity which was purchased prior to 20 Sept 2004.
- A defined benefit pension that doesn't have an account balance.
- Lump sum paid to an aged care facility.
- A Funeral Bond up to the allowable limit.
- The difference between the insured value and the garage sale value of your home contents and motor vehicles.

For information, visit Services Australia at <http://www.servicesaustralia.gov.au> and search 'Age Pension'.

Maximum rate of pension	Assets test	Single/Illness separate couple (each)	Couple (each)
1 July 2024 – 19 September 2024	Basic rate	\$1,020.60	\$769.30
Age Pension, Disability Support Pension, Carer Payment & DVA invalidity pension.	Maximum pension supplement*	\$80.10	\$61.50
	Energy supplement	\$14.10	\$10.60
	Total	\$1,096.70	\$841.40
Includes minimum pension supplement of \$43.90 (single) and \$33.10 (couple each)			

Pension assets test	Assets test	For full pension	Cut-off limit
The maximum pension entitlement is reduced by \$3 per fortnight for every \$1,000 of assets over the lower threshold.	Single homeowner	\$301,750	\$674,000
	Single non-homeowner	\$543,750	\$916,000
	Couple homeowner (combined)	\$451,500	\$1,012,500
	Couple non-homeowner (combined)	\$693,500	\$1,245,500
	Illness-separated couple homeowner (combined)	\$451,500	\$1,196,000
	Illness-separated couple non-homeowner (combined)	\$693,500	\$1,438,000

Pension income test	Family situation	For full pension (pf)	Cut-off limit (pf)
1 July 2024 – 19 Sep 2024	Single	Up to \$204	\$2,436.60
Pension is reduced by \$0.50 (singles) and \$0.25 (each member of a couple) per \$1.00 of income over full pension thresholds.	Couple (combined)	Up to \$360	\$3,725.60
	Illness-separated couple (combined)	Up to \$360	\$4,825.20

Deeming thresholds	Family situation	Deeming threshold	Max financial asset to receive full pension
Rate applied below threshold is 0.25% and 2.25% above.	Single	\$62,600	\$310,622
	Couple where at least one member receives a pension (combined)	\$103,800	\$470,001
	Non Pensioner couple (each)	\$51,900	N/A

Exempt funeral bonds	Family situation	Amount
1 July 2024 - 30 June 2025	Single or for each member of a couple	\$15,500

Important information

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