



FINFORCE

FINFORCE EBOOK • 2026–27 EDITION

Age Pension & Centrelink Guide

Assets, income, deeming, gifting and the cards that matter, from 20 September 2026

Figures checked against official sources • 1 November 2026 • finforce.com.au

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How to use this ebook. Each chapter stands alone and ends with its official sources (ATO, Services Australia, RBA, ASFA, Moneysmart, TPB and others). Figures are for 2026–27 or as stated, and can change; the online version of each chapter is listed at its end.

General advice warning. This ebook is general information only and does not take into account your objectives, financial situation or needs. Rules, rates and thresholds change; figures were checked against the official sources listed in each chapter as at 1 November 2026. Before acting, consider the relevant Product Disclosure Statement and our Financial Services Guide (finforce.com.au/fsg.html) and seek personal advice.

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CHAPTER 1

Age Pension basics

The Age Pension is paid by Services Australia to people who reach Age Pension age and meet residency, income and assets tests. Even a part pension can matter, because it can unlock concessions.

Who is eligible

- Age Pension age is 67.
- Residency requirements apply.
- You must pass both the income test and the assets test; whichever gives the lower rate applies.

How super counts

Once you reach Age Pension age, super counts in the assets test, and account-based pensions are deemed under the income test. Your family home is not counted in the assets test, but assets test limits are higher for non-homeowners.

Thresholds change

Rates and thresholds are indexed in March and September. Check current figures on Services Australia, or use their Payment and Service Finder.

Planning moves

- Timing of gifts (gifting limits apply).
- How you structure super between partners.
- Funeral bonds and home improvements: legitimate but need care.
- A downsizer contribution affects assets.
- Want to test a move first? Our Age Pension what-if planner shows which test sets your pension and the before and after of home repairs, gifting within the limits, downsizing and more.
- Working part-time: the Work Bonus means the first \$300 a fortnight of work income isn't counted. See how much you can earn with our Work Bonus calculator.

Retirement planning in Brisbane.

Quick answers

What is the Age Pension age?

67, per Services Australia.

Sources

- [Services Australia: Age Pension](#)

Read online with live links: finforce.com.au/insights/age-pension-basics.html

CHAPTER 2

Age Pension assets test limits from 20 September 2026

How much you can own and still receive the Age Pension depends on whether you are single or a couple and whether you own your home. Your home itself is not counted.

Full pension limits

	Homeowner	Non-homeowner
Single	\$333,000	\$600,000
Couple, combined	\$499,000	\$766,000

Part pension cut-offs (from 20 September 2026)

	Homeowner	Non-homeowner
Single	\$745,750	\$1,012,750
Couple, combined	\$1,121,000	\$1,388,000

Between the two, the pension reduces by \$3 a fortnight for every \$1,000 of assets over the full pension limit (75 cents per \$250).

What counts

Almost everything except your home: super in pension phase or once you reach Age Pension age, bank accounts, shares, investment property, cars, caravans, boats and household contents (at what they would sell for, not replacement value). You also need to pass the income test, which uses deeming rates; you are paid under whichever test gives the lower rate.

Ways people legitimately improve their position

- Valuing contents and cars realistically.
- Spending on the home or normal living costs (not a gift).
- Understanding gifting limits before helping family.
- Considering a downsizer decision with the Age Pension in mind.

Run your numbers with the Age Pension calculator.

Quick answers

What is the assets limit for a full Age Pension?

\$333,000 for a single homeowner and \$499,000 for a homeowner couple combined; \$600,000 and \$766,000 for non-homeowners.

At what assets level does the part Age Pension stop?

From 20 September 2026: \$745,750 for a single homeowner and \$1,121,000 for a homeowner couple combined.

Is my home counted?

No. Your principal home is not counted, but homeowners have lower limits.

Sources

- [Services Australia: Assets test for Age Pension](#)
- [DVA: Assets test \(rates from 20 September 2026\)](#)

Read online with live links: finforce.com.au/insights/age-pension-assets-test-2026.html

CHAPTER 3

Deeming rates from 20 September 2026: 1.75% and 3.75%

From 20 September 2026 the deeming rates used in the Age Pension income test rose by half a percentage point: the lower rate from 1.25% to 1.75% and the higher rate from 3.25% to 3.75%. For some part-pensioners, that means a smaller fortnightly payment.

The current settings

- **Single:** the first \$66,800 of financial assets is deemed to earn 1.75%; anything above earns 3.75%.
- **Couple, at least one on a pension:** the first \$110,600 of combined financial assets is deemed at 1.75%; anything above at 3.75%.
- **Couple, neither on a pension:** the first \$55,300 each is deemed at 1.75%.

Why it matters

Deeming assumes your bank accounts, term deposits, shares and account-based pensions earn a set rate, whatever they actually earn. That deemed income goes into the income test. If you earn more than the deemed rate, the extra is not counted. If you earn less, you are still assessed on the deemed rate.

The same indexation round lifted the maximum Age Pension from 20 September 2026 to \$1,237.70 a fortnight for a single and \$1,866.00 for a couple combined.

What to check now

- Look at what your cash actually earns. With the RBA cash rate at 4.60%, money sitting at a low rate is costing you twice.
- Update Services Australia if the value of your financial assets has changed.
- Review any planned gifts: excess gifts are deemed too. See Age Pension gifting rules.
- Run your numbers through the Age Pension calculator.

Quick answers

What are the deeming rates from 20 September 2026?

1.75% on financial assets up to \$66,800 for singles or \$110,600 for couples combined, and 3.75% above those thresholds.

What were the deeming rates before?

1.25% and 3.25%.

What is the maximum Age Pension from 20 September 2026?

\$1,237.70 a fortnight for a single and \$1,866.00 for a couple combined.

Sources

- [Services Australia: Deeming \(Age Pension\)](#)
- [Social Security \(Deeming Threshold Rates\) Determination \(No. 2\) 2026](#)
- [Minister for Social Services: September indexation media release](#)

Read online with live links: finforce.com.au/insights/age-pension-deeming-rates-2026.html

CHAPTER 4

Age Pension gifting rules: how much can you give away?

Helping children or grandchildren is common in retirement. Services Australia lets you give away a set amount without it affecting your Age Pension. Give more, and the excess keeps counting against you for five years.

The limits

- **\$10,000** in one financial year.
- **\$30,000** over five financial years, with no more than \$10,000 of that in any single year.
- The limits are the same for a single person and for a couple combined.

What happens if you give more

The amount above the limits is treated as a "deprived asset". For five years from the date of the gift, it is counted under the assets test and deemed to earn income under the income test, even though you no longer have it. If the gift is returned to you, the deprived amount stops being assessed.

What counts as a gift

A gift is selling or transferring an asset or income for less than it is worth, or for nothing. Spending money on normal costs, such as a holiday, a new fridge or home improvements, is not a gift. Selling an asset at full value is not a gift either.

A worked example

A couple on a part Age Pension gives their daughter \$25,000 towards a house deposit in one financial year. \$10,000 is within the yearly limit. The other \$15,000 is a deprived asset: it is counted as a financial asset, and deemed at current deeming rates, for five years.

Planning a larger gift? Timing it across financial years, or making it before you claim the pension, can change the result. Estimate the effect with our Age Pension calculator or see Age Pension advice in Brisbane.

Quick answers

How much can I gift without affecting the Age Pension?

\$10,000 in a financial year and \$30,000 over five financial years, for singles and couples alike.

How long does an excess gift count against my pension?

Five years from the date of the gift.

Is paying for home repairs a gift?

No. Spending on normal costs such as home improvements, holidays or household goods is not gifting.

Sources

- [Services Australia: How much you can gift \(Age Pension\)](#)
- [Services Australia: What gifts we include in income and assets tests](#)
- [Social Security Guide 4.1.1: General provisions of deprivation](#)

Read online with live links: finforce.com.au/insights/age-pension-gifting-rules.html

CHAPTER 5

Couples working on the Age Pension: whose Work Bonus counts?

Couples share one income test, but each partner has their own Work Bonus. That means the same household earnings can affect your pension differently depending on who does the work.

Try it with your numbers: Work Bonus calculator: how much can I earn and keep my full Age Pension?

Couples are assessed together, but the Work Bonus isn't

For couples, Services Australia adds both partners' assessed income together and applies one combined income threshold of **\$396 a fortnight** (from 20 September 2026). Above that, each partner's pension reduces by 25 cents for every dollar of combined income, or 50 cents combined.

The Work Bonus works differently. Each partner who is of Age Pension age and getting a pension has their own **\$300 a fortnight** Work Bonus and their own balance, and it can only reduce *their own* earnings. After each partner's Work Bonus is applied, what's left is combined for the income test.

Why who works can matter

Take a couple who both get the Age Pension, own their home and have \$60,000 in the bank (deemed income of \$40.38 a fortnight). They have no Work Bonus balances.

- **John works and earns \$800 a fortnight; Mary doesn't work.** John's Work Bonus takes off \$300, leaving \$500 assessed. Combined assessed income is \$540.38, which is \$144.38 over the \$396 income threshold. Their pensions fall by \$72.19 a fortnight in total, to about \$1,793.81 combined. Mary's unused Work Bonus can't be used against John's wages.
- **They both work and earn \$400 each (\$800 in total).** Each Work Bonus takes off \$300, leaving \$200 assessed between them. Combined income is \$240.38, under the income threshold, so their pensions don't change at all.

Same household earnings, about \$72 a fortnight difference in pension. That's not a reason to change jobs, but if you both enjoy some work, it helps to know.

How much can a couple earn?

With no other income and no assets test reduction, a couple can earn **\$996 a fortnight combined** if both work (\$300 + \$300 + \$396), or **\$696** if only one works. Deemed income and other income use up the \$396 first.

If your partner isn't on the Age Pension

The Work Bonus only applies to pensioners of Age Pension age. If your partner is younger, or gets a different payment, their wages don't get the Work Bonus and are counted in your combined income. Payments such as JobSeeker have their own rules, so get personal advice in that situation.

Don't forget the assets test

Many couples are paid under the assets test rather than the income test. If that's you, extra earnings often make no difference until they push the income test result below the assets test result. The Work Bonus calculator shows you which test applies.

Quick answers

Can my partner use my Work Bonus?

No. Each pensioner's Work Bonus and balance can only offset their own employment income. After it is applied, both partners' remaining income is combined for the income test.

What is the couple income threshold for the Age Pension?

\$396 a fortnight combined from 20 September 2026. Above that, each partner's pension reduces by 25 cents for each dollar of combined income.

How much can a couple earn on the Age Pension in 2026?

With no other income and no assets test reduction, \$996 a fortnight combined if both partners work, or \$696 if only one works.

Sources

- [Services Australia: Work Bonus and your partner's income](#) (page updated 10 March 2026)
- [Services Australia: How the Work Bonus works](#) (page updated 14 February 2025)
- [Services Australia: Who can get the Work Bonus](#) (page updated 14 February 2025)
- [Services Australia: Income test for Age Pension](#) (page updated 20 September 2026)
- [Services Australia: Deeming](#) (rates current at 27 October 2026)
- [DSS Social Security Guide 3.1.15.30 Work bonus: application](#) (last reviewed 6 May 2024)
- [DSS Social Security Guide 3.1.15.40 Work bonus: examples](#) (last reviewed 12 August 2024)

Figures checked on 27 October 2026. Age Pension rates and thresholds are indexed during the year, so check current figures.

CHAPTER 6

Working while on the Age Pension: the Work Bonus explained

The Work Bonus lets pensioners of Age Pension age earn some money from work without it reducing their pension. Here's how it works, how much you can earn in 2026, and when earnings aren't actually the limiting factor.

Try it with your numbers: Work Bonus calculator: how much can I earn and keep my full Age Pension?

The short version

If you get the Age Pension and you work, the **Work Bonus** means the first **\$300 a fortnight** of your work income isn't counted in the income test. On top of that, the normal **income threshold** (\$226 a fortnight single, \$396 combined for couples, from 20 September 2026) applies to your other assessed income. Put together, a single pensioner with no other income can earn **\$526 a fortnight** before their pension changes.

The Work Bonus isn't an extra payment and you don't apply for it. Services Australia applies it automatically when you report your employment income.

Who can get it

- You must be of Age Pension age (67) and get the Age Pension, Carer Payment or Disability Support Pension.
- Transitional rate pensioners (some people who were on a part pension in September 2009) can't get it.
- It applies to wages and salary, and to self-employment income from *gainful work* (work involving your personal effort, such as a plumber, celebrant or artist). Managing your own investments or rental property isn't gainful work.

How much can I earn? Some typical numbers

Earnings before the Age Pension reduces, from 20 September 2026

Situation (homeowner, under the assets test limit)	Earn up to, per fortnight
Single, no other income	\$526
Single, \$100,000 in the bank (deemed \$92.85 a fortnight)	\$433.15
Couple, both working, no other income	\$996 combined
Couple, one working, no other income	\$696

Deemed income from your savings, shares and super comes off the income threshold first, which is why the second line is lower. These numbers keep your pension at the level it would be with no work income.

What happens above the limit

For a single person, every dollar of assessed income over \$226 reduces the pension by 50 cents. Say Margaret is single, owns her home, has \$50,000 in the bank (deemed income of \$33.65 a fortnight) and earns \$600 a fortnight from casual work. The Work Bonus takes \$300 off her wages, leaving \$300 assessed. Her total assessed income is \$333.65, which is \$107.65 over the income threshold, so her pension reduces by \$53.83 to about \$1,183.87 a fortnight. She keeps all of her \$600 wages, so she is still about \$546 a fortnight better off than if she didn't work (before tax).

If Margaret had a \$4,000 Work Bonus balance (the starting balance for new claims since 1 July 2024), the balance would absorb the extra \$300 a fortnight for 13 fortnights before her pension started to reduce. More on that in how the income bank works.

When earnings aren't the problem

Services Australia works out your pension under both the income test and the assets test and pays the lower result. If your assets already reduce your pension, work income often doesn't change anything until it becomes the bigger limit. For example, a single homeowner with \$550,000 of assessable assets (including \$150,000 in financial assets) gets about \$586.99 a fortnight under the assets test, and could earn around \$1,662 a fortnight before work income made any difference. In that situation, how your assets are structured matters more than how much you work.

Things to check before taking on work

- **Report your income** each fortnight, even if it's under the limit. You don't need to send payslips unless asked.
- **Tax is separate.** The Age Pension is taxable, and working can change your tax position. The Seniors and Pensioners Tax Offset may help, but that's an ATO question, not a Centrelink one.
- **Your partner's situation.** Each person's Work Bonus only covers their own earnings. See couples working on the Age Pension.

- **Super contributions.** If you're working past 67, you may still be able to contribute to super, but super counts in the Age Pension tests once you reach pension age.

Quick answers

Do I have to apply for the Work Bonus?

No. Services Australia applies it automatically when you report your employment income. You need to report your income each fortnight even when it is under the limit.

Is the Work Bonus \$300 a week or a fortnight?

A fortnight. The first \$300 of work income in each 14-day period isn't counted in the income test. Unused amounts build up in your Work Bonus balance, to a maximum of \$11,800.

Does the Work Bonus change with indexation?

The \$300 amount and the \$11,800 cap are set in the Social Security Act and aren't automatically indexed. Pension rates and the income threshold (\$226 single, \$396 couple combined from 20 September 2026) are indexed, so check current figures with Services Australia.

Sources

- [Services Australia: How the Work Bonus works](#) (page updated 14 February 2025)
- [Services Australia: Who can get the Work Bonus](#) (page updated 14 February 2025)
- [Services Australia: Income test for Age Pension](#) (page updated 20 September 2026)
- [Services Australia: How much Age Pension you can get](#) (rates from 20 September 2026)
- [Services Australia: Assets test for Age Pension](#) (limits from 20 September 2026)
- [Services Australia: Deeming](#) (rates current at 27 October 2026)
- [DSS Social Security Guide 3.1.15.30 Work bonus: application](#) (last reviewed 6 May 2024)
- [DSS Social Security Guide 1.1.G.25 Gainful work \(work bonus\)](#) (last reviewed 11 August 2025)

Figures checked on 27 October 2026. Age Pension rates and thresholds are indexed during the year, so check current figures.

Read online with live links: finforce.com.au/insights/work-bonus-explained.html

CHAPTER 7

Commonwealth Seniors Health Card: income limits from 20 September 2026

If you are over Age Pension age but do not qualify for the pension, the Commonwealth Seniors Health Card (CSHC) can still give you cheaper medicines under the PBS and other concessions. It has an income test but no assets test.

Income limits from 20 September 2026

- **Single:** under \$105,048 a year.
- **Couple, combined:** under \$168,076 a year.
- **Couple separated by illness, respite care or prison:** under \$210,096 combined.
- Add \$639.60 for each child in your care.

What counts as income

Your adjusted taxable income, which includes reportable super contributions (such as salary sacrifice), reportable fringe benefits and net investment losses, plus **deemed income** on account-based pensions. Deeming uses the rates that rose on 20 September 2026: see deeming rates. Because there is no assets test, retirees with substantial assets but modest taxable income often qualify.

Why it matters

- Cheaper PBS medicines.
- Possible bulk-billed doctor visits (at the doctor's discretion).
- State and local concessions, which vary.

Watch the timing

Starting a new account-based pension, or a jump in deeming rates, can change your assessed income. Check before you restructure: see pension drawdown rates and Age Pension and Centrelink advice.

Quick answers

What is the CSHC income limit from 20 September 2026?

\$105,048 a year for singles and \$168,076 for couples combined.

Is there an assets test for the Commonwealth Seniors Health Card?

No. There is only an income test, which includes deemed income on account-based pensions.

Sources

- [Services Australia: Income test for a Commonwealth Seniors Health Card](#)
- [Social Security Guide 3.9.3.30: Assessment of income for CSHC](#)

Read online with live links: finforce.com.au/insights/commonwealth-seniors-health-card-2026.html

CHAPTER 8

The Home Equity Access Scheme explained

The Home Equity Access Scheme (HEAS) is a Government loan for older Australians who own real estate. It can top up a part pension, or pay a fortnightly income if you receive no pension, secured against your home.

How it works

- You receive fortnightly loan payments, and can take some as a lump sum within limits.
- The interest rate is **3.95% a year**, compounding every fortnight on the loan balance. It has been 3.95% since 1 January 2022 and is set by the Minister.
- Interest keeps accruing until the loan is repaid, usually when the home is sold or from the estate.
- A no negative equity guarantee applies: you will not owe more than the home is worth.

How compounding adds up

Services Australia's example: a first fortnightly payment of \$750 attracts \$1.14 interest by the next pay day; after the second payment the balance is \$1,501.14, and so on. Small at first, but over ten or fifteen years the balance can grow substantially, reducing what is left for you or your estate.

When it can make sense

- Asset-rich, cash-poor retirees who want to stay in their home.
- Covering a gap until another asset is sold or a pension starts.
- Compared with commercial reverse mortgages, the rate is often lower, but the scheme has payment limits.

Estimate payments with our HEAS calculator, and see Age Pension assets test and cost-of-living help for homeowners. Talk to family early and get independent advice, as Services Australia recommends.

Quick answers

What is the Home Equity Access Scheme interest rate?

3.95% a year, compounding fortnightly, since 1 January 2022.

Can I owe more than my home is worth?

No. A no negative equity guarantee applies to HEAS loans.

Sources

- [Services Australia: Home Equity Access Scheme](#)
- [Services Australia: Interest rate for HEAS loans](#)
- [Social Security Guide 3.4.5.45: HEAS interest rate](#)

Read online with live links: finforce.com.au/insights/home-equity-access-scheme-explained.html

CHAPTER 9

Downsizer contributions

A downsizer contribution lets people aged 55 and over put up to \$300,000 each from the sale of their home into super, outside the normal caps.

Key rules

- You are 55 or older when you contribute.
- The home was owned by you or your spouse for at least 10 years, in Australia, and the sale is at least partly exempt from CGT under the main residence exemption (or would be).
- Up to \$300,000 each, limited to the sale proceeds. Couples can contribute up to \$600,000 between them.
- Contribute within 90 days of settlement, with the fund's downsizer form.
- You can only use it once.

Things to weigh

- No total super balance test, but money in super then counts toward Age Pension assets tests if you are of pension age.
- You don't actually have to buy a smaller home.
- The transfer balance cap (\$2.1 million in 2026–27) still limits what can go into retirement phase.

See retirement planning and Age Pension basics.

Quick answers

How much can I put in as a downsizer contribution?

Up to \$300,000 per person, per the ATO.

Sources

- [ATO: Downsizer super contributions](#)

Read online with live links: finforce.com.au/insights/downsizer-contributions.html

Want this applied to your situation?

Book a review with the FinForce team at Level 7, 190 Edward Street, Brisbane City, online or by phone: 07 3262 6585 · finforce.com.au

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