

# Social Security

## Age pension

The Age Pension is a government payment designed to help retirees meet their income needs.

### How it works

To qualify for the Age Pension, you first need to meet age and residency requirements. Centrelink then determines your entitlement based on your level of income and assets. Age Pension payments are made fortnightly and can be paid directly into a savings account, such as a bank, building society or credit union account.



### Age requirements

Your age to be eligible for age pension depends on your date of birth (see table below). The qualifying age is also gradually increasing to 67 by 1 July 2023.

| Date of birth                   | Eligible age |
|---------------------------------|--------------|
| Before 1 July 1952              | 65.0         |
| 1 July 1952 to 31 December 1953 | 65.5         |
| 1 January 1954 to 30 June 1955  | 66.0         |
| 1 July 1955 to 31 December 1956 | 66.5         |
| On or after 1 January 1957      | 67.0         |

### Residence requirements

The residency requirements generally require you to have been an Australian resident for at least 10 years. You must generally be an Australian resident living in Australia when you lodge the claim.

The residency rules and requirements may be different if you are covered by certain International Social Security Agreements. International agreements are complex and it is important that you seek guidance from Centrelink if you are intending to apply under the terms of an international agreement.

### Age Pension payment rates

Payment rates are indexed every 20 March and 20 September. You should refer to Centrelink website [www.servicesaustralia.gov.au](http://www.servicesaustralia.gov.au) for the latest payment rates.

The rate payable depends on whether you are single or a member of a couple and your means test assessment. This payment also includes an amount of Pension Supplement and an Energy Supplement.

The means test uses an income test and an assets test. The test that produces the lowest rate of pension is the one that applies.

## Pensioner Concession Card (PCC)

If you are eligible for the Age Pension, you will also be entitled to a Pensioner Concession Card (PCC) to help reduce your expenses.

The PCC gives you access to a range of discounted medical services funded by the government including cheaper prescription medicines through the Pharmaceutical Benefits Scheme (PBS). Doctors may bulk bill if you hold this card and you may also receive some concession through your state, territory or local government. The range of concessions will vary depending on where you live and you should check [www.servicesaustralia.gov.au](http://www.servicesaustralia.gov.au) for further information.

## Benefits

These may include:

- The Age Pension provides a regular income stream to improve your cash flow.
- Your assets may last longer, because the increased cash flow means you will have less need to draw on your personal investments.
- You will be entitled to a concession card to reduce the cost of some expenses (such as reduced cost medicines).
- Other benefits, such as Rent Assistance, may also be payable.

## Risks, consequences and other important things to consider

These include:

- If you are still working, the first \$300 of employment or business income per fortnight will not impact your income test under the Work Bonus.
- If you are permanently blind you can receive the full Age Pension as the means-tests are not applied.
- The Age Pension is taxable income however you may be eligible for tax offsets to help to reduce your tax liability.
- You are required to tell Centrelink within 14 days about any change in your circumstances that may affect your payment. If you don't and you're overpaid, you will be required to pay this amount back.
- Payments and entitlements may be affected if you go overseas for extended periods of time longer than six weeks. You should check details with Centrelink and notify them before leaving the country.

Version: 1.15

Issue date: 24 September 2020

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