

FREE GUIDE | GREAT ADVICE

2026 Age Pension Self-Check

Things to confirm before you apply, and the most common things people miss.

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How the Age Pension is worked out

The Age Pension uses two tests. Centrelink works out what you would receive under the income test, what you would receive under the assets test, and then pays you the lower of the two. If you are well over the limits on either test, your pension is zero.

The income test

Looks at your gross fortnightly income from work, real estate, businesses, and your spouse if you are in a couple. It also adds deemed income on your financial assets, which is a set rate Centrelink applies whether you actually earn that income or not.

Financial assets include bank accounts, term deposits, shares, managed funds, and most account-based pensions started after 1 January 2015.

The assets test

Looks at the market value of what you own, with two big exceptions. Your principal home is not counted. Funeral bonds are exempt up to a current cap.

The cut-offs are different for homeowners and non-homeowners, and different again for singles and couples.

Where to find the current figures

The dollar limits move twice a year. We have left them out of this checklist on purpose so it does not go stale.

Look up the current figures at Services Australia, servicesaustralia.gov.au/age-pension, and MoneySmart, moneysmart.gov.au.

Centrelink works out what you would receive under each test and pays you the lower of the two.

Income test self-check

- I know my gross fortnightly income from any paid work.
- I have my spouse's fortnightly income, if I am in a couple.
- I have checked my Work Bonus balance, which lets eligible pensioners earn a set amount per fortnight before any of it counts.
- I know which of my super accounts are in accumulation phase and which are paying me a pension.
- I have a current balance for each bank account, term deposit, share, and managed fund.
- I have the current balance of any account-based pension started on or after 1 January 2015.
- I have looked up the current low and high deeming rates and the threshold between them at Services Australia.
- I have a figure for rental income from any investment property, less allowable deductions.
- I know how my defined benefit pension, if I have one, is assessed. It is different to an account-based pension.

Common misses

Pre-2015 account-based pensions may be grandfathered, which means deeming does not apply if the income stream and income support payment have been continuous since before 1 January 2015.

The Work Bonus accumulates if you do not use it. The unused balance can be drawn down in a future fortnight, which matters if you do casual or seasonal work.

Compensation payments, lump-sum or periodic, can affect the pension under a different set of rules.

Assets test self-check

- I have worked out whether I count as a homeowner or a non-homeowner.
- I have valued my household contents at market value.
- I have a current market value for any car, caravan, trailer, boat, or motorbike.
- I have a net market value for any investment property. Net means after any mortgage on that property.
- I have my own super balance and my spouse's super balance, including any pensions.
- I have a current value for shares, managed funds, business interests, and any private trust or company entitlements.
- I have a record of any gifts I have made in the past five years.
- I have noted any granny flat interest I have given or received.
- I have noted any funeral bond, prepaid funeral, or cemetery plot.

Common misses

Gifting above the allowed limits can continue to be counted as your asset for five years from the date of the gift.

Granny flat interests have their own rules. A granny flat interest can be exempt from the gifting rules if the amount paid is reasonable for the right to live in the property.

Funeral bonds are exempt up to a cap. Above the cap, they count.

Lifetime income streams purchased after 1 July 2019 are assessed under the 60 percent / 40 percent rule.

Reverse mortgages can shift the picture. The principal home stays exempt, but cash drawn down into a bank account is counted.

What a planner does that Services Australia does not

Centrelink will assess the application you submit. They will not model what the application would look like if you did things in a different order.

Five common moves

01 Spouse asset and super balance smoothing

Where it makes sense for the household. A younger spouse's super is not counted under the assets test until they reach Age Pension age.

02 Gifting strategy spread across multiple financial years

This can be more useful than a single transfer that triggers a five-year deprivation count.

03 Lifetime income stream placement

This can use the favourable 60 / 40 assessment where it suits the household's risk profile and longevity assumptions.

04 Funeral bond placement

Up to the current cap, this can take the amount out of the assessable asset pool.

05 Account-based pension structuring

Small changes to balance or drawdown timing can move the income test result.

What a planner is not

A planner is not a Centrelink lodgement service. We model the options against your numbers, walk you through the trade-offs, and then you decide what to lodge. For complex Centrelink lodgement questions, the Financial Information Service at Services Australia is free and useful.

Where to from here

If you want to do this yourself

- Run your numbers through the Services Australia online estimator, then a second time through the MoneySmart calculator.
- If the figures look close to a threshold, book a free 30-minute appointment with a Financial Information Service officer at Services Australia.
- Lodge through myGov when you are within 13 weeks of Age Pension age.

If you want to walk through your numbers with us

We are based in Springwood. We see clients across south east Queensland in person, by phone, or by video. The first meeting is at our cost and there is no obligation to take it further.

Book a meeting at greatadvice.com.au, or call 07 3290 0393

General advice warning

This document is general information only. It does not take account of your personal objectives, financial situation, or needs. Before acting on any information in this document, you should consider whether the information is appropriate to you. We recommend you obtain personal financial advice from a licensed financial adviser before making any financial decisions.

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Age Pension rates, thresholds, and rules referenced in this document are current as at May 2026. They are updated 20 March and 20 September each year. Always confirm the current figures at servicesaustralia.gov.au/age-pension before making decisions.