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Deeming rates increasing again

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Deeming is used to determine the amount of income that is assessable from financial investments for Social Security means testing. Deeming assumes that financial investments are earning a certain rate of income regardless of the actual income earned.

The Minister for Social Services has announced another 0.5% increase to deeming rates from 20 March 2026. The lower deeming rate will increase to 1.25% and the upper deeming rate will increase to 3.25%. This comes after deeming rates were initially increased by 0.5% from 20 September 2025.

Single	Couple combined	Deeming rate
First $64,200	First $106,200	1.25%
Over $64,200	Over $106,200	3.25%

The increase in deeming rates will impact individuals with financial investments who receive an Age Pension entitlement determined by the income test. The increase in deeming rates combined with the indexation of the Age Pension from 20 March 2026 will impact individuals as follows:

	Financial investments	Age Pension reduction
Single homeowner	$249,500 - $340,500	Up to $263 p.a.
Single non-homeowner	$249,500 - $666,500	Up to $1,046 p.a.
Couple homeowner	$423,000 - $497,000	Up to $359 p.a.
Couple homeowner (illness separated)	$462,000 - $492,500	Up to $73 p.a.
Couple non-homeowner	$423,000 - $823,000	Up to $1,142 p.a.
Couple non-homeowner (illness separated)	$462,000 - $818,500	Up to $856 p.a.

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The Age Pension "crossover points" show where an individual's Age Pension entitlement is determined by the income or assets test as their financial investments increase. The increase in deeming rates will change the "crossover points" from 20 March 2026 as follows:

Figure 1: Crossover points

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