Challenger Tech

SEPTEMBER 2026

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New deeming rates

By Sean Howard, Technical Services Manager

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 September 2026 following the previous 0.5% increase from 20 March. The lower deeming rate will increase to 1.75% and the upper deeming rate will increase to 3.75%.

Single	Couple combined	Deeming rate
First $66,800	First $110,600	1.75%
Over $66,800	Over $110,600	3.75%

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 will reduce Age Pension entitlements from 20 September 2026 as follows.[1]

	Financial investments	Age Pension reduction
Single homeowner	No reduction	
Single non-homeowner	$382,750 - $712,750	Up to $792 p.a.
Couple homeowner	No reduction	
Couple non-homeowner	$578,500 - $878,000	Up to $719 p.a.
Couple homeowner (illness separated)	No reduction	
Couple non-homeowner (illness separated)	$765,500 - $870,500	Up to $251 p.a.

1 Includes the indexation of Age Pension rates from 20 September 2026.

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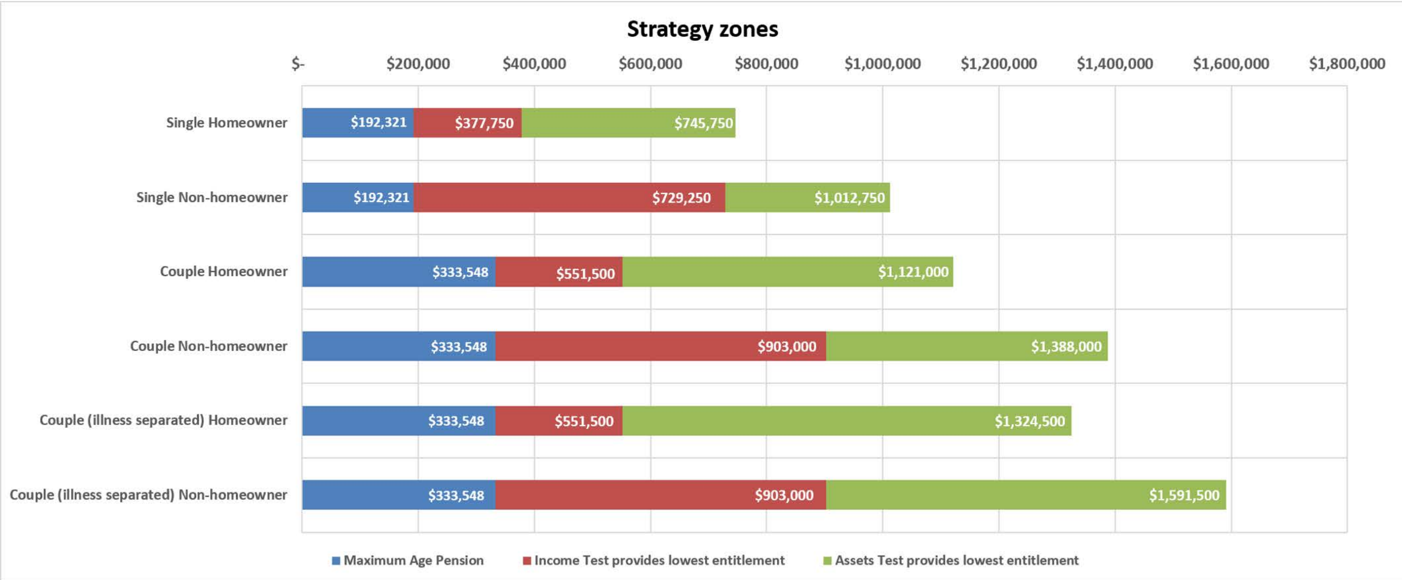
The Age Pension "crossover points" show where an individual's Age Pension entitlement is determined by the income or assets test as their financial investments increase. The increase in deeming rates will change the "crossover points" from 20 September 2026 as follows.[1]



Contact details

Visit
challenger.com.au

Email
challengertech@challenger.com.au

Call Challenger Tech team
1800 176 486
(during Sydney business hours)

65386/0926