



Changes to Age Pension Payments

20 August 2025

The government has announced changes to Age Pension payments from 20 September 2025 including a lift on the previously frozen deeming rates by 0.50% and an increase to the Age Pension of up to \$29.70 for singles and \$22.40 each for couples.

NSA Chief Executive Officer Chris Grice said it's a mixed bag for pensioners. All pensioners will receive a boost to their payments as a result of indexation to the Age Pension – the most substantial in two years. However, some part-rate and full rate pensioners will have this increase offset by the lift to deeming rates.

"Deeming rates have been frozen for three years. This has spared pensioners a significant drop in income as interest rates and everyday living costs soared," Mr Grice said.

"NSA called for a continuation of the freeze with any lift to be modest while waiting for interest rates to fall.

"While the lift on the freeze will not be welcomed, we recognise the government has attempted to cushion the impact by aligning changes with indexation to the Age Pension. By timing increases to deeming rates with indexation and doing this slowly as interest rates reduce, this avoids what could have been a sharper impact on pensioners.

"As we have said consistently and still maintain, changes to deeming rates should be introduced in a measured, incremental, and transparent way."

From 20 September 2025, the Age Pension, Veteran Payment, Disability Support Pension and Carer Payment will receive an increase because of indexation.

The maximum rate of the single Age Pension will rise by \$29.70 per fortnight for singles (taking it from \$1,149.00 to \$1,178.70) and for couples, by \$22.40 each per fortnight (taking the combined payment from \$1732.20 to \$1777.00).

"In respect to indexation, Pensioners and other support payment recipients will welcome the increase to their fortnightly payments. It will help give that little bit extra in the pocket and purse for groceries, fuel, and other competing necessities," Mr Grice said.

"Age Pensioners are still feeling cost of living pressures and need to be supported through measures to help improve their standard of living, such as exempting employment income from the Age Pension income test, and NSA will keep fighting for this.

"We acknowledge the Minister for Social Services, the Honourable Tanya Plibersek, for her considered and consultative approach to the Age Pension adjustments and look forward to continued discussions with the minister ahead of March when the pension is next indexed."

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