



How much pensioners could lose if deeming rates change from 1 July

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National Seniors Australia (NSA) has launched a tool to help pensioners estimate how much their Age Pension may reduce if deeming rates increase after 1 July 2025.

Deeming is used to estimate income from financial assets. It impacts means testing for support payments including the Age Pension, JobSeeker, parenting payments, as well as residential aged care.

“Deeming rates have been frozen for three years, sparing people lower pension payments as interest rates have soared. Now, when cost of living pressures remain high, is not the time to remove the freeze and revert to the previous method for deeming rates,” NSA Chief Executive Officer Mr Chris Grice said.

“Older Australians are still struggling to pay necessities, such as utilities, petrol, groceries, and rent. A continued freeze on deeming rates would spare pensioners and other income support payment recipients suffering a drop in income.

“There is a perception in the community that deeming rates impact only “wealthy” pensioners with significant savings – this simply isn’t true. Our modelling shows both full-rate pensioners and lower-wealth part-rate pensioners will be impacted if deeming rates change back to the pre-freeze method.”

“Half a million full-rate Age Pensioners could be impacted if the old method is applied to deeming rates from 1 July 2025. NSA wants the government to continue the freeze on deeming until interest rates ease further. It’s a sensible way to help older people meet daily living costs.

“Any change to deeming rates should be introduced in a measured, incremental, and transparent way. We don’t want a situation where older Australians, struggling under cost-of-living pressures, are hit harder.”

NSA has created a simple [estimator](#) that allows pensioners to see the possible impact on Age Pension payments.

It shows an estimate of the [maximum](#) amount the Age Pension could fall from 1 July 2025, if deeming rates revert to the previous methodology.

It is estimated a couple could lose up to \$285 and a single \$203 per fortnight respectively (both homeowners) under a worst-case scenario (depending on their individual circumstance).

“We encourage anyone impacted by deeming to visit our estimator and to see how much you could possibly lose if the rates are lifted – a move that may happen anytime from July 1 and which NSA will continue to fight against,” Mr Grice said.

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