Centrelink Deeming Rates

[1]Deeming is a set of rules used to work out the income created from your financial assets. It assumes these assets earn a set rate of income, no matter what they really earn.

What financial assets are

The main types are:

- savings accounts and term deposits
- managed investments, loans and debentures
- listed shares and securities
- some income streams
- some gifts you make

How it affects your payments from us

We include any deemed income as your income under the income test. The income test helps us work out how much income support we can pay you.

Benefits of deeming

The benefits of deeming include:

- helps keep your payments more stable rather than fluctuating based on the performance of financial assets
- provides an incentive to invest, as any investment return achieved above deeming rates does not count as income
- let's you choose the best investments for your needs, not how they may affect your payment

How Centrelink work out your deemed income

If you're single

The first $66,800 of your financial assets has the deemed rate of 1.25% applied. Anything over $66,800 is deemed to earn 3.25%.

If you're a member of a couple and at least one of you receives a pension

The first $110,600 of your combined financial assets has the deemed rate of 1.25% applied. Anything over $110,600 is deemed to earn 3.25%.

If you're a member of a couple and neither of you receives a pension

The first $55,300 of each of your own and your share of joint financial assets has a deemed income of 1.25% per year. Anything over $55,300 is deemed to earn 3.25%.

If you earn more than the deemed rates

If your investment return is higher than the deemed rates, the extra amount doesn't count as your income.

[1] https://www.servicesaustralia.gov.au/individuals/topics/deeming/29656#howwe

Where the deeming rates come from

The Minister for Social Services sets these rates. They reflect expert advice about what the markets are doing.