

Facts and figures

July 2025

For adviser use only

Personal tax

Resident marginal tax rates and thresholds (excluding Medicare levy)

Applicable for the 2025/26 financial year

Taxable income	Tax rate
Up to \$18,200	Nil
\$18,201 – \$45,000	Nil + 16% of each dollar over \$18,200
\$45,001 – \$135,000	\$4,288 + 30% of each dollar over \$45,000
\$135,001 – \$190,000	\$31,288 + 37% of each dollar over \$135,000
\$190,001 and over	\$51,638 + 45% of each dollar over \$190,000

Non-Resident tax rates

Applicable for the 2025/26 financial year

Taxable income	Tax rate
Up to \$135,000	30% of each dollar
\$135,001 – \$190,000	\$40,500 + 37% of each dollar over \$135,000
\$190,001 and over	\$60,850 + 45% of each dollar over \$190,000

Minors tax rates

Applicable for the 2025/26 financial year

Taxable income	Tax rate
Up to \$416	Nil
\$417 – \$1,307	66% of each dollar over \$416
\$1,308 and over	45% of each dollar

Offsets	
Taxable income for Low-income Tax Offset (LITO)*	Offset
Up to \$37,500	\$700
\$37,501 - \$45,000	\$700 minus 5% of income exceeding \$37,500
\$45,001 - \$66,667	\$325 minus 1.5% of income exceeding \$45,000
\$66,668 and over	Nil

Offsets	Max 2025/26	Lower threshold	Cut out threshold
Seniors and Pensioners Tax Offset (SAPTO)**			
Single	\$2,230	\$34,919	\$52,759
Couple (each)***	\$1,602	\$30,994	\$43,810
Illness separated			
Couple (each)	\$2,040	\$33,731	\$50,051

* Minors cannot use LITO to reduce tax payable on unearned income (unless the income is sourced from excepted income such as an inheritance).

** SAPTO is available to both pensioners below age pension age and also persons of age pension age is based on rebate income. Rebate income = taxable income + reportable superannuation contributions + total net investment losses + adjusted fringe benefits. For a couple, no SAPTO is available where combined rebate income is \$87,620. SAPTO reduces at 12.5% of each \$1 dollar in excess of the lower threshold. Unused SAPTO may be transferred to an eligible spouse.

*** Each member of a couple is tested separately for SAPTO eligibility.

Taxation of payments received on termination of employer

Unused annual leave payments

Resignation or retirement

Period of accrual	Assessable portion	Tax rate on assessable portion (excluding Medicare levy)
Pre 18 August 1993	100%	Maximum of 30%
Post 17 August 1993	100%	Marginal rates

Genuine redundancy, invalidity or approved early retirement scheme payments

Period of accrual	Assessable portion	Tax rate on assessable portion (excluding Medicare levy)
Full period	100%	Maximum of 30%

Unused long service leave payments

Resignation or retirement

Period of accrual	Assessable portion	Tax rate on assessable portion (excluding Medicare levy)
Pre 16 August 1978	5%	Marginal rates
16 August 1978 to 17 August 1993	100%	Maximum of 30%
Post 17 August 1993	100%	Marginal rates

Genuine redundancy, invalidity or approved early retirement scheme payments

Period of accrual	Assessable portion	Tax rate on assessable portion (excluding Medicare levy)
Pre 16 August 1978	5%	Marginal rates
Post 15 August 1978	100%	Maximum of 30%

Tax-free portion of genuine redundancy payment or approved early retirement scheme payment

The first \$13,100 plus \$6,552 for each year of completed service is tax-free.

Employment termination payments (ETPs)

ETPs can only be taken as cash — there is no ability to roll them to super.

Component	Tax on ETP (excl Medicare levy)
Tax free	Nil
Taxable component	
Under preservation age at end of year	30% maximum on the first \$260,000* Balance at 45%
At preservation age or older at end of year	15% maximum on the first \$260,000* Balance at 45%

* The ETP cap amount of \$260,000 is reduced by any other ETPs received during the same year and also by any ETPs received in previous years relating to the same employment termination event.

For ETPs of a golden handshake nature rather than for genuine redundancy, invalidity, early retirement schemes or certain types of compensation, the 30% or 15% concessional tax treatment is limited to the lower of the ETP cap or the \$180,000 (Whole of Income) cap reduced by any other taxable income. The remainder of the ETP is taxed at 45% (plus Medicare levy).

Super

Contributing to super

The following tests apply to determine whether a super fund can receive a contribution for a member.

Age of member at the time of making the contribution	Work test and other conditions
Below 55	— Unable to make downsizer contribution
55 – 66	— No work test* applies — Able to make downsizer contribution
67 – 74^	— To be eligible to claim a deduction for a personal contribution the work test or work test exemption# must be satisfied during the financial year — No work test applies to other member or employer contributions
Age 75 or over	— Contributions are mandated or the contribution is a downsizer contribution

* Member must be gainfully employed for at least 40 hours in a period of not more than 30 consecutive days.

^ Includes contributions received on or before the day that is 28 days from the end of the month in which the member attains age 75.

The work test exemption requires that in the previous financial year, the member was gainfully employed for at least 40 hours in a period of not more than 30 consecutive days, the member's total superannuation balance on 30 June of the previous financial year was below \$300,000 and they have not previously applied the work test exemption to make contributions in a prior financial year.

Contribution type	Cap amount
Non-concessional	\$120,000
Non-concessional 3 year bring forward (under 74 during financial year) [^]	\$360,000
Concessional	\$30,000
Personal injury eg a structured settlement	No limit
Small business capital gain – retirement exemption (life time limit)	\$500,000
Small business proceeds – 15 year rule (life time limit, including \$500,000 above)	\$1,865,000

[^] For the 2025/26 financial year if the member's total superannuation balance (TSB) on 30 June 2025 is \$2 million or more, non-concessional contributions cannot be made. In addition, where the TSB is \$1.76 million or more, the 'bring forward' non-concessional contribution limit will reduce.

Excess contributions	Excess tax
Non-concessional*	47%

* For 2013/14 to 2016/17:- If not withdrawn within prescribed time frames following receipt of an excess contributions notice from the ATO. From 2017/18 onwards:- If an election is made to leave the excess non-concessional inside super.

Superannuation guarantee

Maximum contribution base \$62,500 per quarter

Co-contribution

Non-concessional contribution	Maximum*
\$1,000 or more	\$500

* The maximum co-contribution is based on total income. Total income is assessable income, plus reportable fringe benefits, plus reportable employer super contributions, less allowable business deductions and must be below \$47,488. The matching rate then tapers down at a rate of \$0.03333 per \$1 until total income reaches \$62,488 at which point the co-contribution will be \$0.

Taxation of super benefits

Taxation of life benefits in the form of a lump sum — taxed funds

Lump sum withdrawals from taxed super funds are tax-free if the member is age 60 or older at the time of withdrawal. If the member is under 60, the following rates apply:

Element	Taxation (excluding Medicare levy)
Tax-free	Nil
Taxable — taxed element	
Below 60	Up to 20%

Taxation of life benefits in the form of a lump sum — untaxed funds

Element	Taxation (excluding Medicare levy)
Tax-free	Nil
Taxable — untaxed element	
Below 60	<ul style="list-style-type: none"> — Up to 30% on first \$1,865,000 — Up to 45% on amounts above \$1,865,000
Age 60 or above	<ul style="list-style-type: none"> — Up to 15% on first \$1,865,000 — Up to 45% on amounts above \$1,865,000

Death benefit superannuation payments (excluding Medicare levy)

Element	Taxation (excluding Medicare levy)
Paid to a Dependant	Nil
Paid to a Non-Dependant	
Tax Free component	Nil
Taxable component (from taxed source)	Up to 15%
Taxable component (from untaxed source)	Up to 30%

Spouse contribution offset

Offset of 18% available on up to \$3,000 of spouse contributions. Maximum offset of \$540 is available when spouse's assessable income + reportable fringe benefits + reportable employer superannuation contributions (total income) is \$37,000 or less. Offset cuts out at \$40,000.

Offset equals the lesser of:

$$(\$3,000 - (\text{total income} - \$37,000)) \times 18\%$$

OR

$$(\text{Total spouse contributions in that year}) \times 18\%$$

Note: Spouse contributions can be received for a spouse under age 75.

Taxation of super income stream payments

For super income streams commenced after 1 July 2007 the tax-free portion is received tax free.

The taxable component of a super income stream is taxed at the member's marginal tax rate, subject to the following tax offset arrangements:

Age of member	When paid from a taxed fund	When paid from an untaxed fund
Below preservation age	15% tax offset on the taxable component if a disability benefit	No tax offset available
Age 60 or above	Nil tax**	10% tax offset available on taxable portion where defined benefit income is within the defined benefit income cap**

Taxation of super death benefit income stream payments

Age of deceased	Age of recipient*	Tax rate**
Age 60 and above	Any age	<ul style="list-style-type: none"> – Tax free component – Nil – Taxable component (from taxed source) – Nil – Taxable component (from untaxed source) – Marginal tax rates with a 10% tax offset where defined benefit income is within the defined benefit income cap
Below age 60	Above age 60	<ul style="list-style-type: none"> – Tax free component – Nil – Taxable component (from taxed source) – Nil – Taxable component (from untaxed source) – Marginal tax rates with a 10% tax offset where defined benefit income is within the defined benefit income cap
Below age 60	Below age 60	<ul style="list-style-type: none"> – Tax free component – Nil – Taxable component (from taxed source) – Marginal tax rates with a 15% tax offset upon this amount – Taxable component (from untaxed source) – Marginal tax rates

* Only payable as a pension to a dependant and in the case of a child where the child is under 18, age 18-25 and financially dependant, or disabled.

** The 'defined benefit income cap' limits the tax concessions for a member's capped defined benefit income (income from non-commutable lifetime pensions/annuities and non-commutable life expectancy income streams existing just before 1 July 2017). For 2025/26, the defined benefit income cap is \$125,000 pa and applies where a member is:

– 60 years old or over or

– a death benefit dependant and the deceased died at 60 years of age or over.

Defined benefit income that exceeds the defined benefit income cap is subject to:

– If paid from a taxed defined benefit scheme, 50% of excess capped defined benefit income is taxed at the member's current marginal rate.

– If paid from an untaxed defined benefit scheme, the 10% tax offset does not apply to the untaxed taxable component of any excess capped defined benefit income.

Annual pension payments

Super income streams commencing from 1 July 2007 (other than term allocated pensions) are subject to an annual minimum pension payments equal to the following percentage of the account balance at 1 July 2024. It is noted that if the client had not yet attained age 59 on 30 June 2023 their preservation age is 60.

Age of beneficiary at 1 July	Min. % factor
Under 65	4.0
65 – 74	5.0
75 – 79	6.0
80 – 84	7.0
85 – 89	9.0
90 – 94	11.0
95 or more	14.0

Maximum payments of 10% apply for transition to retirement income streams.

Term Allocated Pension (not available after 19 September 2007)

Term remaining (whole years)	Payment factor*	Term remaining (whole years)	Payment factor*
70 or more	26.00	27	17.29
69	25.91	26	16.89
68	25.82	25	16.48
67	25.72	24	16.06
66	25.62	23	15.62
65	25.52	22	15.17
64	25.41	21	14.70
63	25.30	20	14.21
62	25.19	19	13.71
61	25.07	18	13.19
60	24.94	17	12.65
59	24.82	16	12.09
58	24.69	15	11.52
57	24.55	14	10.92
56	24.41	13	10.30
55	24.26	12	9.66
54	24.11	11	9.00
53	23.96	10	8.32
52	23.80	9	7.61
51	23.63	8	6.87
50	23.46	7	6.11
49	23.28	6	5.33
48	23.09	5	4.52
47	22.90	4	3.67
46	22.70	3	2.80
45	22.50	2	1.90
44	22.28	1 or less	1.00
43	22.06		
42	21.83		
41	21.60		
40	21.36		
39	21.10		
38	20.84		
37	20.57		
36	20.29		
35	20.00		
34	19.70		
33	19.39		
32	13.07		
31	18.74		
30	18.39		
29	18.04		
28	17.67		

* Annual payments can be varied up to 110% or down to 90%.

Age Pension rates as at 1 July 2025 (including Pension Supplement*)

Classification	Per annum	Per fortnight
Single	\$29,956.07	\$1,149
Couple (each)	\$22,580.46	\$866.10

* Pension Supplement includes GST Supplement, UA, TAL & PhA for eligible recipients. Rates include the Energy Supplement.

Pension Supplement Minimum Amount* as at 1 July 2025

Classification	Per annum	Per fortnight
Single	\$1,173.21	\$45
Couple (each)	\$883.82	\$33.90

* This amount will be paid in full if, after means testing, the client's pension amount is below this amount but is above zero. Transitional Rate pensioners are not paid the Pension Supplement.

Pension income test as at 1 July 2025

Classification	For maximum pension income (per fortnight) [#]	No pension when income reaches (per fortnight)
Single	\$218	\$2,516
Couple (combined)	\$380	\$3,844.40

Reduction of 50 cents per \$1 (or 25 cents each partner) above the lower limit.

Centrelink/DVA means testing of income streams

Classification	Income test	Deductible amount	Assets test
Complying – eg Life or Life expectancy/ fixed-term income streams.	Gross income less deductible amount	Purchase price (PP) / Relevant number (RN) or Term	Exempt if purchased before 20 September 2007 (50% exempt if purchased between 20 September 2004 and 19 September 2007)
Complying market linked 'TAPS' income streams (available from 20 September 2004 to 19 September 2007).	Gross income less deductible amount	PP / RN or Term	50% exempt if purchased before 20 September 2007
Non-complying long term*, and grandfathered [^] account based income streams.	Gross income less deductible amount	[PP - commutations - Residual Capital Value (RCV)] / RN or Term	If account based then account balance, otherwise PP – [(PP – commutations - RCV) / RN × term elapsed]
Non-complying lifetime income streams purchased before 1 July 2019.	Gross income less deductible amount	(PP - commutations - RCV) / RN	PP – [(PP – commutations - RCV) / RN × term elapsed]

Classification	Income test	Deductible amount	Assets test
Non-complying lifetime income streams purchased from 1 July 2019 in line with the declining capital access schedule e.g. lifetime annuity with no withdrawal amount.	Gross income x 60%	Not applicable	'Assessment day' between 1 July 2019 and 31 December 2024 PP x 60% until age 84 (min of 5 years), PP x 30% thereafter 'Assessment day' after 1 January 2025 PP x 60% until age 85 (min of 5 years), PP x 30% thereafter
Non-complying lifetime income streams purchased from 1 July 2019 failing the declining capital access schedule e.g. lifetime annuity with a withdrawal amount.	Gross income x 60%	Not applicable	Greater of: Above assessment Current/future surrender value Current/future death benefit
Non-complying term of 5 years or less, and non-grandfathered* account based income streams.	Deemed income	Not applicable	If account based then account balance, otherwise $PP - [(PP - \text{commutations} - RCV) / RN \times \text{term elapsed}]$

* Long term income streams have a term greater than 5 years or at least the life expectancy if term is 5 years or less but excludes lifetime

^ To be grandfathered, the account based income stream needs to have commenced before 1 January 2015 and the recipient must be in continuous receipt of a Centrelink income support payment since 1 January 2015.

Work bonus

The work bonus applies to all employed pensioners over age pension age (unless receiving Parenting Payment Single or a member of the Pension Bonus Scheme) assessed under the new income test. It does not apply to pensions being paid at the transitional rate.

The first \$300 of fortnightly employment income and gainful work income (gainful income from personal exertion excluding amounts from managing/administering family investments or from domestic duties in the person's residence) i.e. income from 'active participation' is disregarded from the income test. Since 1 July 2019 onwards, self-employment income (from active participation) is also eligible. Any unused work bonus accrues in a work bonus income bank that can be used to exempt income in future fortnights. The maximum work bonus income bank is \$11,800 and eligible recipients receive an immediate increase to their work bonus income bank of \$4,000.

Pensioners over age pension age have their employment income assessed fortnightly.

Pension and Allowance assets tests as at 1 July 2025

Classification	Allowance Disqualification limit	Pension Lower limit [#]	Pension Upper limit
Single homeowner	\$321,500	\$321,500	\$704,500
Single non-homeowner	\$579,500	\$579,500	\$962,500
Couple homeowner (combined)	\$481,500	\$481,500	\$1,059,000
Couple non-homeowner (combined)	\$739,500	\$739,500	\$1,317,000

[#]Assets above these amounts reduce pension entitlements by \$3.00 for every \$1,000 above the limit (single and couple combined).

Allowance rates[^] as at 1 July 2025

Classification	\$ per annum	\$ per fortnight
Single – no children	\$20,593.82	\$789.90
Single – with children	\$22,056.43	\$846
Single over 55 after 9 months*	\$22,056.43	\$846
Couple (each)	\$18,849.64	\$723

[^] Rates include Energy Supplement.

* Also eligible for Pharmaceutical Allowance.

Allowance income test as at 1 July 2025

Income	Reduction
Income less than or equal to \$150 per fortnight	Nil
Income between \$150 and \$256 per fortnight	50c
Income greater than \$256 per fortnight	60c

Note: The Allowance Income Test applies to both singles and each member of a couple.

Deeming (financial investments) to calculate the fortnightly rate*

Classification	Income	Rate	Income	Rate
Single	≤ \$64,200	0.25%	> \$64,200	2.25%
Couple, Pensioner	≤ \$106,200	0.25%	> \$106,200	2.25%
Couple each, non-Pensioner	≤ \$53,100	0.25%	> \$53,100	2.25%

* Amounts held in financial investments sourced from the sale proceeds of a former principal home sold after 1 January 2023 that are intended to be used to build/purchase a new principal home are deemed at the lower deeming rate if it has been less than 24 months since the sale of the former home. This may be extended to a maximum of 36 months.

Commonwealth Seniors Health Card

For those over Age Pension age and not in receipt of a pension, with income below the following thresholds.

Classification	Adjusted taxable income (ATI) limit
Single	\$99,025 pa
Couple	\$158,440 pa combined
Couple, illness separated	\$198,050 pa combined

Low Income Health Care Card

For low income earners. Once eligible, these limits may be exceeded by up to 25%. Based on 8 weeks average prior to application.

Classification	Income
Single (no children)	\$786 pw
Couple combined (no children)	\$1,343 pw
Single, one dependent child	\$1,343 pw
For each additional dependent child	\$34 pw

Family Tax Benefit Part A

Maximum payment per fortnight per child*	Fortnight	Annual**
0 - 12	\$227.36	\$6,865.65
13 - 15	\$295.82	\$8,650.50
16 - 19 secondary student	\$295.82	\$8,650.50
Up to 19 in an approved care organisation	\$72.94	\$1,901.65
Base rate	Fortnight	Annual***
For each child	\$72.94	\$2,839.70

* Figures exclude Energy Supplement.

Per fortnight figures exclude a lump sum of \$938.05 (subject to immunisation requirements) per dependent child.

Above age 16 Youth Allowance may be a more beneficial alternative.

To receive the maximum benefit, the adjusted taxable income of a couple must not exceed \$66,722 pa.

Excess income reduces entitlements by 20c per \$1 until the base payment rate is reached.

Where income is greater than \$118,771, the excess reduces entitlements by 30c per \$1.

** The maximum annual Family Tax Benefit Part A amount (except for approved care organisations) includes the end of year supplement of \$938.05 per child. The supplement is paid after the end of the financial year where a family has a combined income of less than or equal to \$80,000 and once certain other conditions have been met.

*** The base rate annual Family Tax Benefit Part A amount includes the end of year supplement of \$938.05 per child. The supplement is paid after the end of the financial year where a family has a combined income of less than or equal to \$80,000.

Family Tax Benefit Part B

Maximum payment per fortnight*	Fortnight	Annual
Youngest child under 5	\$193.34	\$5,500.55
Youngest child 5 – 15 (or 18 if a secondary student)	\$134.96	\$3,978.50

* Figures exclude Energy Supplement.

Per annum figures include the Family Tax Benefit Part B supplement (\$459.90 per family) but the fortnightly figures do not. Family Tax Benefit Part B is only available where the primary earner has an adjusted taxable income of \$120,007 or less. To receive the maximum, adjusted taxable income of secondary earner must not exceed \$6,935.

Excess income will reduce by 20c per \$1. No Family Tax Benefit Part B is payable to couple families (other than grandparents) where the youngest child is aged 13 or over.

Utilities allowance (UA)

UA is paid to income support recipients under 21, without children and receiving DSP.

Since 20 September 2009, those eligible for Pension Supplement have UA included in their Supplement which forms part of the fortnightly pension payments.

UA remains as a stand alone payment for those who are ineligible for the Pension Supplement, namely DSP recipients aged under 21 without children. The current payment rate is \$195.70 pq for singles and \$97.85 pq for each eligible member of a couple.

For more information

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