

18 November 2024

Age Pension qualification and portability

Certain requirements need to be met to become and remain eligible for Age Pension, with portability rules applying to determine ongoing eligibility when a pensioner is overseas.

Background

Any person who applies for Centrelink benefits must meet the relevant qualification criteria to have their application approved.

Once the payments commence, there are 'portability' rules that determine whether a person's payment can continue while absent from Australia. The nature of the absence (ie whether temporary or permanent) may further impact any ongoing entitlement.

The qualification criteria and portability rules vary between payments and across the ancillary benefits. This article covers:

- Age Pension qualification requirements
- portability of the Age Pension and other associated ancillary benefits
- effect of international social security agreements on eligibility, and
- payment rates.

A flowchart that summarises the Age Pension qualification and portability rules is available in the [Appendix](#).

The rules which apply to other social security payments and benefits differ from those identified here. International agreements and the portability rules are complex. Clients should [confirm with Centrelink](#) how their entitlements are impacted prior to departing Australia.

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Qualification for Age Pension

Eligibility

There are two basic conditions that must generally be met when applying, as well as secondary conditions (one of which must also be met), for a person to receive Age Pension.

Basic conditions

The two basic conditions most people must meet are being:

- 67 or older, and
- a 'resident' of Australia.¹

¹ See the [Guide to Social Security 3.1.1.10](#)

To be considered an 'Australian resident' when applying, a person needs to reside in Australia and be a:

- citizen
- permanent visa holder, or
- protected special category visa holder.

Advice tip

Modified residence requirements apply if a pension is granted under the terms of an international social security agreement. See page 7 for more information on how an international agreement could assist to meet residency requirements. An exception may exist when an international social security agreement exists between Australia and the country where a person resides. An agreement may entitle a person to apply while overseas.

Does the person 'reside' in Australia?

Centrelink considers several factors to determine whether a person resides in Australia, including:

- frequency and duration of any travel outside of Australia
- whether the person has an established residence in Australia
- any employment arrangements in Australia and the nature of these arrangements
- any business or financial ties in Australia, and
- the nature and extent of assets in Australia.

Secondary conditions

In addition to having met the basic requirements, a person must also meet **one** of the secondary conditions. That is, a person must either:

- have 10 years 'qualifying residence', or
- have a 'qualifying residence exemption', or
- be a female who became widowed whilst living in Australia with her partner and has lived in Australia for the 104 consecutive weeks immediately prior to claiming.

If a person meets these eligibility conditions, they are means tested, whereby their income and assessable asset levels are assessed to determine the rate of pension.

What is qualifying residence?

Qualifying residence is defined² as:

- 10 consecutive years of Australian residence at any point in the past, or
- having been an Australian resident for two or more periods at any time in the past, which in total exceed 10 years (where at least one of these periods is at least five years in duration).

If an applicant has spent time overseas in a country with whom Australia has an international social security agreement, time spent in the respective country may count towards the 10 years 'qualifying residence' requirement (see page 7).

Qualifying residence exemptions

A qualifying residence exemption (QRE) removes the requirement for an individual to have met the 10 year qualifying residence requirement. Eligibility conditions for a QRE vary between social security benefits. For Age Pension purposes, a QRE is only extended to individuals who reside in Australia and have either refugee or former refugee status³.

² Social Security Act 1991 s7(5)

³ Social Security Act 1991 s7(6)

When to apply for age pension

Applications for Age Pension may be lodged up to 13 weeks prior to reaching age 67. Retrospective payment of the Age Pension is limited to the date when the application is accepted as complete. You should ensure that a claim for Age Pension is completed and lodged in a timely manner.

Ceasing to qualify

There are some circumstances whereby a person who has been receiving Age Pension may cease to qualify (for reasons other than the means tests) and their payment is cancelled or suspended. This includes situations where the recipient:

- becomes entitled to another social security payment (such as the DVA service pension)⁴
- is imprisoned or is in psychiatric confinement because they have been charged with a criminal offence
- travels overseas (see 'portability rules' below), or
- travels overseas and does not seek to apply for a 'comparable foreign payment' where one is payable – this is a payment that is similar to an Australian social security pension but is regulated via another country's social security legislation.

If a pension recipient loses entitlement to payments due to employment income, they currently have a 24-week 'employment nil rate period', which enables them to hold onto the Pensioner Concession Card and they are not required to re-apply if their employment income falls within this period. This was extended to a period of 12 weeks on 1 July 2024. If a recipient's 'employment nil rate period' commenced before 1 July 2024 and ended on or after this date, a period of 24 weeks applies.

Advice tip

If a person ceases to qualify for the Age Pension for a period and becomes entitled again at some future point, consider the means test assessment of any existing account based pension. Ceasing to qualify for a pension payment, whether the income support payment is just suspended or cancelled, leads to a loss of any grandfathering of the pension. The pre-1 January 2015 income test assessment no longer applies and the entire account balance is deemed going forward.

Portability rules

The portability rules for social security benefits outline the circumstances under which a person can continue to receive a benefit while overseas. The portability rules vary between social security payments and ancillary benefits. These rules can also be impacted by whether the absence is temporary or permanent and the length of absence.

If the country where a person is travelling has a social security agreement with Australia, the agreement can be used to determine a person's ongoing entitlement (rather than the general portability conditions outlined below).

General Age Pension portability rules

Age Pension is one of the few income support payments with an **indefinite portability period**. This means a person could travel overseas for an indefinite period and may still qualify to receive an amount of Age Pension, assuming they otherwise maintain eligibility including the income and assets tests.

⁴ Under the 'multiple entitlement exclusion' provisions.

Advice tip

The general portability rules explained below apply to 'autonomous benefits' - where entitlement to a payment is determined under the ordinary rules, rather than under the terms of an international social security agreement, either by choice, or because the country the person is travelling to does not have a social security agreement with Australia.

International agreements may entitle the person to a larger ongoing payment, by recognising the time they have lived in the agreement country, similar to the way in which their residence in Australia is used to calculate their ongoing Age Pension entitlement - see below and page 7 for more information about International Agreements.

Other clauses in various international agreements may also impact the payment rate and where a claim for payment can be lodged. The terms of various agreements differ and are complex. It is advisable that clients confirm their entitlement with [International services](#) at Centrelink.

Ongoing rate payable

Where an Age Pension recipient travels overseas, the rate of basic pension payable is generally maintained for up to 26 weeks. The assets and income test apply while overseas. Entitlement to supplements and the Pensioner Concession Card are subject to different rules (see page 5).

Generally, once the person has been absent for 26 weeks, maintaining entitlement at the same rate only applies if the person has 35 years 'Australian Working Life Residence' (AWLR). Failing this, the person's ongoing entitlement to the Australian Age Pension reduces⁵.

AWLR is generally calculated using the [number of months](#) in a person's 'working life' (being the period from the time the person is 16, ending when the person reaches age 67) that the person has been a resident of Australia. For calculating the proportional pension payable, AWLR in months, plus one month is used.

If AWLR is less than 35 years, the person has their Age Pension reduced proportionately after 26 weeks abroad and the assets / income tests continue to apply. This 26-week limit is not cumulative across the year for Age Pension and will restart upon each subsequent return to Australia.

The payments are proportioned using the following steps:

- 1 Determine the **AWLR period** (as above)
- 2 Calculate the '**residence factor**' (see below)
- 3 Calculate the '**total notional rate**' of pension (which they are entitled to under normal rules)
- 4 Multiply **total notional rate of pension** by **residence factor**

Where **residence factor** = **AWLR period** (in months) / 420

A figure of 420 is used in the calculation as it is the number of months in 35 years

Example – Calculating reduced pension entitlement

Matilda, a full Age Pension recipient, is travelling to Russia for nine months. Australia does not have an international social security agreement with Russia, so the general portability rules apply.

Matilda has 13 years AWLR. As this is less than the 35 years required to maintain entitlement to the existing rate, the Age Pension payable is reduced after 26 weeks in Russia as follows:

1. AWLR is 157 months (13 years, or 156 months + 1 month)
2. Residence factor is $157 / 420 = 0.3738$
3. 'Total notional pension' is the ordinary rate she would be entitled to if she were in Australia
4. Reduced pension entitlement = $0.3738 \times \text{total notional rate of pension}$

⁵ Prior to 1 July 2014, the requirement was for 25 years of AWLR. Those who were overseas as at 1 July 2014 will continue under the 25-year rule unless they return to Australia for 26 weeks and subsequently depart.

Advice tip

Where overseas travel may impact entitlements or rate of payment, the person must notify Centrelink prior to departure⁶ and indicate the intended return date. On returning to Australia, Centrelink should again be notified to ensure entitlement to any of the below ancillary benefits is reinstated or maintained.

Ancillary benefits

There are many ancillary benefits an Age Pension recipient may be entitled to in addition to payment of the basic rate of pension. The way in which an absence from Australia impacts ongoing entitlement to these benefits varies and is determined by the length and nature of the absence.

There is a clear distinction drawn for social security purposes between a temporary and permanent absence. Whilst some benefits are maintained during a temporary absence, they are often lost if the absence is permanent. When verifying whether the absence is temporary or otherwise, Centrelink consider⁷:

- the reason for the absence
- the length of time the person will be overseas
- any remaining ties with Australia (eg place of residence, belonging, family remaining and employment), and
- existing ties with the other country.

Pensioner Concession Card

Recipients of a part or full Age Pension are entitled to the Pensioner Concession Card (PCC). While the pension itself has an indefinite portability period, the PCC has a limited portability period of 42 days (6 weeks) in the case of temporary absences⁸.

That is, a person may be absent from Australia temporarily and retain their entitlement to the PCC for a 42-day period, after which they lose entitlement. This does not impact their ongoing eligibility for the Age Pension. The card will be reinstated upon returning to Australia.

If an absence is permanent, entitlement to the PCC is immediately lost. Again, this does not impact entitlement to Age Pension.

Pension Supplement

If the absence is temporary, the amount of Pension Supplement (PS) to which an Age Pensioner is entitled reduces to the basic amount after 6 weeks. The basic amount continues to be paid during the temporary absence. If an Age Pension recipient departs Australia permanently, the amount of PS to which they are entitled immediately reduces to the basic amount.

Energy Supplement

An Age Pension recipient who is temporarily absent from Australia may continue to receive the Energy Supplement (ES) for a period of up to 6 weeks. After this time, the ES is no longer payable. Pensioners who leave permanently no longer receive the ES from the date of departure.

Rent Assistance

An Age Pension recipient temporarily departing Australia may continue to receive Rent Assistance (RA) for a maximum period of 26 weeks, after which time RA is discontinued.⁹

⁶ Guide to Social Security Law, 7.2.1.10

⁷ Social Security Act 1991 s7(3)

⁸ Different portability rules apply for Disability Support recipients who also hold the PCC.

⁹ Social Security Act, 1991 s1216

To receive RA for the first 26 weeks of a temporary absence, a person must otherwise remain qualified, for example, they must continue to pay rent in respect of their home in Australia. If an Age Pension recipient departs Australia permanently, RA immediately ceases.

Table 1: Benefits available to Age Pension recipients during a temporary absence

Benefit	Temporary absence	
	Up to 6 weeks	After 6 weeks
Pensioner Concession Card	✓	X
Rent Assistance	✓	Payable up to 26 weeks, then nil
Pension Supplement	✓	Basic amount only
Energy Supplement	✓	X

Table 2: Benefits available to Age Pension recipients during permanent absence

Benefit	Permanent absence	
	Up to 6 weeks	After 6 weeks
Pensioner Concession Card	X	X
Rent Assistance	X	X
Pension Supplement	Basic amount only	Basic amount only
Energy Supplement	X	X

Receiving payments while overseas

Generally, if a person is overseas for less than 12 months, any payment to which they are entitled is paid fortnightly into an Australian bank account. Individuals who intend to be away for more than 12 months receive their entitlement once every four weeks and may nominate either an Australian or foreign bank account.

Payments made into a foreign bank account are paid in the local currency or US dollars, depending on the country. The exchange rate used is at the time of payment. Fees or bank charges may apply if funds are paid to or accessed from a foreign bank account. **Centrelink recommends** that recipients register for Centrelink online services via myGov before departing, to enable access to Centrelink communication and online services while abroad.

Proof of life certificates

People residing overseas who are over the age of 80 and receiving Age Pension, Disability Support Pension or Carer Payment, must verify their continuing survival via a proof of life certificate, to continue receiving payment. Centrelink will send the required forms to the recipient every two years. The proof of life certificate needs to be signed by an authorised certifier to confirm that the person is alive, has been sighted by and had their identity verified by the certifier¹⁰.

¹⁰ Social Security (Administration) Act 1999 s63A

Authorised certifiers include:

- a judge or magistrate
- registrar of a law court
- a solicitor, lawyer or barrister
- an authorised consular employee
- a police officer
- Justice of the Peace, or
- a medical doctor.

If an authorised proof of life certificate is not returned to Centrelink within 13 weeks of receipt, pension entitlements are suspended and cancelled entirely after a total of 26 weeks.

Former residents

If a person who was previously an Australian resident returns to Australia after a period overseas, they may be transferred back to being assessed by Centrelink for an 'autonomous pension'. These are Australian pensions granted under ordinary rules, which are not reliant upon an international social security agreement.

If a person who has returned after an absence departs Australia within two years of becoming an Australian resident again, the autonomous pension is not payable outside of Australia (ie the general portability rules will not apply)¹¹. However, if they are again travelling to a country with which Australia has an agreement within this two year time frame, they may be eligible for benefits under the agreement (ie the agreement overrides the general portability conditions).

Overview of international agreements

In this section, we explain the general approach when determining entitlement under an international agreement. Each individual agreement may differ in application and how entitlements are determined. You should seek specific guidance directly from Centrelink when assisting clients. Contact [International Services](#) at Centrelink for more information.

[International social security agreements](#) can provide key benefits, including:

- assisting a person to meet the general qualification rules
- the ability to apply for a benefit while absent from Australia, and
- enabling a person to retain a higher Age Pension entitlement while overseas.

International agreements generally set out:

- who the agreement covers
- benefits payable under the agreement
- where claims for benefits can be lodged
- arrangements in relation to arrears, embargoes and overpayments
- how benefit rates are calculated
- treatment of former residents, and
- benefits payable under an agreement when a person travels to a third country.

Assistance in meeting general qualification rules

If an international agreement exists between Australia and the country in which a person is residing, the agreement may stipulate that a person can apply for the Age Pension while overseas. This varies between agreements and may not always apply.

International social security agreements can also make it easier for individuals to qualify for benefits in Australia and overseas. This is because a person's period of residency in both Australia and the agreement country may count towards the minimum residency requirements to qualify for benefits (ie the '10 year qualifying residence' requirement).

If a person currently residing in Australia travels to an agreement country, the agreement can also be used to determine a person's social security entitlement.

¹¹ Social Security Act 1991 s1220

Advice tip

If the person is travelling to a country with whom Australia has an international social security agreement and the person would be better off being paid under the terms of the agreement (rather than having their payment proportioned), they can make the election to transfer to the agreement terms. However, during the first 26 weeks abroad, the payment is not subject to proportioning, so the person should wait until after this time to be transferred to the agreement conditions.

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Appendix: Age Pension qualification and portability flow chart

