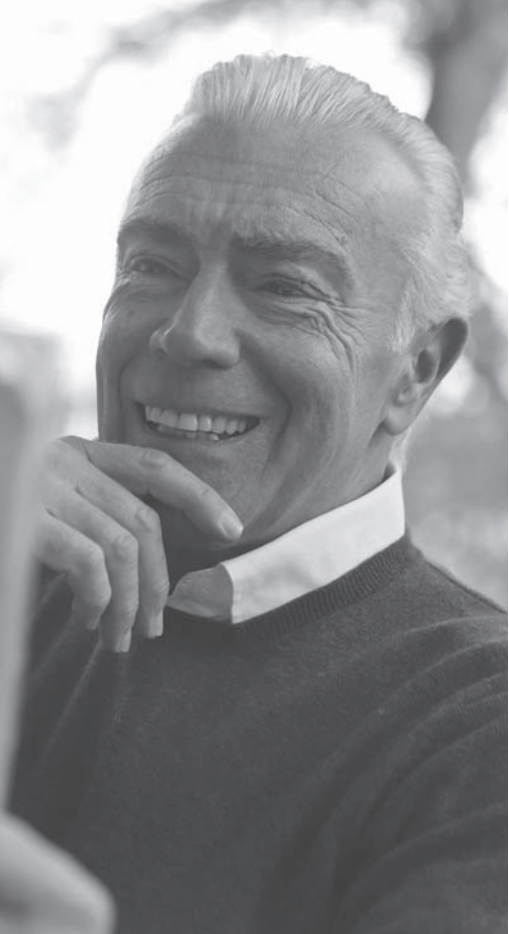


# Commonwealth Seniors Health Card: What's changing from 20 March 2026

The Commonwealth Seniors Health Card (CSHC) can be valuable for many self-funded retirees, helping reduce out-of-pocket health costs (for example, cheaper PBS medicines and other concessions). But it's income tested, and an upcoming rise in deeming rates may affect some people's eligibility.



## CSHC income cut-off thresholds

To qualify, you must meet the CSHC income test – there is no assets test. Centrelink assesses your (and your partner's) adjusted taxable income and this may also include deemed income from any account-based pensions (ABPs) you have.

The current CSHC income limits are:

- \$101,105 p.a. if you're single
- \$161,768 p.a. for couples (combined)
- \$202,210 p.a. for couples separated by illness/ respite care/prison.

## What are deeming rates?

Deeming is the Government's method of assuming a set rate of return on financial assets, rather than using your actual earnings. It's designed to keep the rules simple and treat people consistently, regardless of how their money is invested.

Deeming commonly applies to assets such as:

- bank accounts and term deposits
- shares and managed funds.

For CSHC purposes, deeming is relevant if you have an ABP as these products are generally deemed and counted under the income test.

## Deeming rates are increasing from 20 March 2026

The Government is increasing the deeming rates. From 20 March 2026, the new deeming rates will be:

- 1.25% (lower rate) for financial assets up to \$64,200 (singles) and \$106,200 (couples combined)
- 3.25% (upper rate) for financial assets above those thresholds.

*continued overleaf* ➡

This information has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation or needs.

**Commonwealth Seniors Health Card ... cont**



**How this could affect your CSHC**


If you're close to the CSHC income limit, higher deeming rates can increase your assessed income even if your actual investment earnings don't change. That may mean you:

- lose eligibility for the CSHC, or
- don't qualify when you otherwise expected to.

This risk is greatest for self-funded retirees who have significant taxable income in addition to their ABP where deeming applies.

**What to do next**

If you're near the thresholds, it's worth reviewing your adjusted taxable income plus any deemed income using the new deeming rates.

If you're unsure how this impacts you, consider seeking advice. A quick calculation can often show whether you're comfortably under the limit or sitting in the "at risk" zone as the new rates begin. 

**Payday super checklist for employers ... cont**

**1 JULY 2026: PAYDAY SUPER STARTS**

From 1 July 2026, payday super takes effect. To meet the new requirements, employers must:

- Pay SG contributions in full, on time and to the correct super fund. Failure to do so may result in penalties, including the superannuation guarantee charge (SGC), which can exceed the original super amount owed
- Ensure SG contributions are received by and allocated to employees' super funds within 7 business days of each payday
- Calculate SG contributions based on qualifying earnings
- Report qualifying earnings and SG liabilities via STP-enabled software
- Pay the final quarterly SG contribution for the April – June 2026 quarter by 28 July 2026
- Note that the SBSCH cannot be used for any payments made on or after 1 July 2026, and no late payment offset will apply for that final quarter.

 **FINAL REMINDER**

Start preparing early by checking that payroll software is ready, reviewing cash flow and confirming employee super details are correct. Payday super is a significant change, but with proper planning the transition can be smooth. If you are uncertain about how the new rules will affect your cash flow or payroll processes, please contact us – we are here to help ensure everything is in place before the July 2026 start date. 