Age pension & overseas travel

Age Pension Portability

When leaving Australia either temporarily or permanently, Centrelink will assess a person's circumstances to decide the amount of age pension payment a person is eligible to receive while outside of Australia.

The circumstances that Centrelink will assess to determine the amount of age pension a person is eligible to receive overseas include:

- How long the person is going overseas for, and
- How long the person has been a resident within Australia.

The full amount of age pension that a person is eligible for is payable while overseas for 26 weeks. However, once overseas for longer than 26 weeks, the amount of age pension payable to a person is dependent upon the person's length of residency in Australia.

Residency is based upon how long a person has been a resident of Australia between the age of 16 and age pension age (currently 65 and moving to 67 in 2023) and the person does not have to be in paid employment within that period.

This length of residency is termed 'Australian Working Life Residency' (AWLR) and is set at 35 years. This means that if a person has a 35 year AWLR and spends longer than 26 weeks overseas, they will continue to receive the full amount of age pension that they are eligible for.

There is then a 2 year waiting period until the former resident's age pension payment is portable. If the person leaves Australia before 2 years has passed, their payment is cancelled and they will have to return to Australia to reapply. If the person is residing within a country that has a Social Security Agreement with Australia then they are able to apply for the age pension in the country they are residing in.

Former Australian Resident who is Currently Living Overseas

People who were already living overseas on 1 July 2014 will be grandfathered by the old AWLR rule of 25 years. People living overseas on 1 July 2014 who are currently receiving the age pension are deemed to be a former resident and are able to maintain the 25 year base for calculating their age pension amount.

However, if they return to Australia for longer than 26 weeks they will be re-assessed under the new rules (35 years AWLR).

Pension Supplement

The pension supplement, which covers telephone, mobility and utilities and which can be worth up to $408.85 per quarter for a single and $616.20 for a couple, will be decreased after 6 weeks overseas.

If a person is travelling overseas temporarily, after 6 weeks the pension supplement will reduce to the basic amount which is approximately $219.05 and $330.20 per quarter for a single and couple combined respectively.

If a person is leaving Australia to live in another country, the pension supplement will reduce to the basic amount when a person leaves Australia.

Pensioner Concession Card

If a person leaves Australia to live in another country the concession card will be cancelled upon departure from Australia.

If a person leaves Australia temporarily, the card will remain current for up to 6 weeks. When a person arrives back to Australia, the Pensioner Concession Card will be restored and a person can continue to access the concessions available.

Commonwealth Seniors Health Card

The Commonwealth Seniors Health Card (CSHC) will also be cancelled if a person is outside of Australia for more than nineteen weeks. However, a quick reclaim over the phone can be made for the CSHC if a person updates their income amounts before travelling overseas and contacts Centrelink as soon as possible upon return.

For more information, please see the following case studies.

This fact sheet is based on information as of September 2014 available from Centrelink and is to be used as a guide only. National Seniors recommends you contact Centrelink on 13 23 00 before any overseas travel to ensure portability of payment and payment amount.

Case Studies

Low Australian Working Life Residency and Former Resident

2014: Peter returned to Australia after residing in Thailand. As there is no social security agreement between Australia and Thailand, Peter must return to Australia to make a claim for the age pension.

After submitting his claim in Australia, Peter went back to Thailand to get his things in order in preparation for receiving the age pension overseas.

As a result, Centrelink deemed him to be a non-resident as he had left Australia and his claim for the age pension was rejected.

Peter returned to Australia and re-submitted his claim– 2 weeks later - and was then granted the age pension.

Portability of the age pension requires an initial residence within Australia of at least **2 years** while in receipt of the age pension. Therefore, if Peter leaves Australia within 2 years of being granted the age pension, he will lose the eligibility for the payment and will then need to re-apply upon returning to Australia.

2016: Peter has now been residing within Australia for 2 years so his age pension payment is now deemed ‘portable’. Peter’s Australian Working Life Residence (AWLR) is 28 years. A person is able to continue receiving the full amount overseas that they are eligible for within Australia if they have an AWLR of 35 years of more.

Peter was receiving the maximum base rate of the age pension ($766.00 per fortnight for a single at September 2014) plus the pension supplement in Australia (no other assessable assets or income). Peter left Australia in 2016 to live in Thailand. Peter’s pension supplement eligibility decreased to the basic amount when he left Australia. After 26 weeks out of Australia Peter’s age pension amount is paid to him at a proportional rate- on the basis of his AWLR (Appendix 1).

Eligible amount of Australian age pension Peter will receive while living in Thailand is based on AWLR of 28 years. 28 years equals 336 months +1 month. Peters AWLR in months is therefore 337 months of a required 35 years which equals 420 months). The extra month is added once only, after totalling all working life residence including broken periods of months and days:

$$\frac{(\$766.00 \times 337)}{420} = \$15{,}980 \text{ per annum}$$

Australian Working Life Residency of 35 years and moving overseas permanently

September 2014: Frank has been living in Australia for 45 years. Frank is 71 and started receiving the age pension in Australia when he was 65.

Frank has decided to travel overseas to the USA to live with family for a few years.

Because Frank has an AWLR of more than 35 years, after 26 weeks overseas he will continue to receive the full amount of age pension that he is eligible for while he is living in the USA. If Frank had an AWLR of less than 35 years he would be paid a proportion of his age pension after 26 weeks overseas (Appendix 1).

Appendix 1

The pension's portability rate calculator

The pensions portability rate calculator is in the Social Security Act section 1221-A1 and is used to calculate the proportional rate. The following formula shows how the rate is derived:

Overseas rate = (P x Q) / 420, where:	
P =	the yearly income and asset tested rate payable in Australia (the NOTIONAL DOMESTIC RATE),
Q =	the number of months of AWLR PLUS one month, but not exceeding 420, and
420 =	35 years expressed in months[1].

For more information visit:

- Department of Human Services- Age Pension
- Department of Social Services- Portability of Australian income support payments
- Department of Human Services- Age Pension when travelling outside Australia

Please note:

This Fact Sheet contains general information only and does not constitute advice. If you need advice on age pension portability please call Centrelink on 132 300.

[1] Australian Government. 2014. *Guide to Social Security Law: Calculating Proportional Portability for Non-Agreement Pensions.* Available at http://guides.dss.gov.au/guide-social-security-law/7/2/2/10