



Better targeting the Pension Supplement

Changes to the Pension Supplement for overseas travel

The Government understands that pensioners who travel overseas for short periods often continue to have everyday living costs in Australia, like energy, phone and internet bills.

That's why we're doubling the time they can spend overseas from **6 to 12 weeks** before the Pension Supplement is affected, **benefitting 92,000 people**.

The basic amount of the Pension Supplement was originally designed to compensate pensioners for Goods and Services Tax (GST) costs.

Pensioners who are outside of Australia long-term, or who leave Australia permanently, are not incurring Australian GST-related costs in the same way as someone in Australia.



What is changing?

From **20 September 2026**
(subject to legislation):

- ▶ the time a pensioner can travel temporarily overseas before their Pension Supplement is affected will double **from 6 weeks to 12 weeks**
 - ▶ this means pensioners will receive the full rate of Pension Supplement for up to **6 weeks longer**
- ▶ after 12 weeks temporarily overseas, the Pension Supplement will cease, instead of reducing to the basic amount
- ▶ if a pensioner moves overseas permanently, the Pension Supplement will cease immediately on departure, instead of reducing to the basic amount.



Who is affected?

There are **no changes to the Pension Supplement for recipients in Australia**.

They will continue to receive this support to help with everyday living costs, as well as other supplementary assistance, such as the Energy Supplement, Rent Assistance and a concession card.

Pensioners living permanently overseas, or who stay overseas for more than 12 weeks, will no longer be able to receive the Pension Supplement. They will continue to receive ongoing support through their main pension payment. This change will not affect how their main pension payment is calculated, and it will continue to increase twice a year with indexation.

Around **95% of pensioners will not be affected** because they live in Australia and only travel overseas for short periods. Those who travel overseas for between 6 and 12 weeks at a time will benefit from this change.



Around **92,000 recipients** per year travel overseas temporarily for **more than 6 weeks**.



Around **68,000 recipients** travel overseas for between 6 and 12 weeks and will receive **more than under current rules**.



Around **24,000 recipients** travel overseas for **more than 12 weeks** and will receive a higher amount for the first 12 weeks of travel.

Around **88,000 recipients** already living permanently overseas will receive a **small payment reduction** on 20 September 2026, while around **3,000 recipients per year** who move permanently overseas will receive a payment reduction on departure.



Budget impact

This change is expected to:

- ▶ **save** around **\$218 million** over five years from 2025–26 to 2029–30, and
- ▶ deliver **ongoing savings** of around **\$63.8 million** per year ongoing.

Why this change matters

This change balances:

- ▶ increased support and greater flexibility for pensioners who travel overseas for short periods, and
- ▶ ending support that is no longer appropriate for people who are overseas long term or permanently and no longer paying the GST.

This ensures the Pension Supplement supports pensioners who are based in Australia and remains fair and sustainable.



Background

What is the Pension Supplement?

The Pension Supplement is an extra payment added to the base pension to assist with certain living costs in Australia. The full rate of Pension Supplement has two components: a basic amount and a remaining amount.

Currently, if a pensioner leaves Australia permanently or is overseas temporarily for more than 6 weeks, the Pension Supplement is reduced to the basic amount only.

The basic amount was originally introduced to help cover GST costs. It is the only part of this supplement that currently continues indefinitely while overseas.

However, people who leave Australia for long periods or permanently usually don't have the same GST expenses as someone in Australia.

Component	What it covers	Maximum amount per fortnight (March 2026)
Pension payment base rate	Pension payment	Single - \$1,100.30 Partnered - \$829.40
Pension Supplement - basic amount	GST Supplement	Single - \$30.10 Partnered - \$24.80
Pension Supplement - remaining amount	Pharmaceutical Allowance, Utilities Allowance, Telephone Allowance, one-off increase amount	Single - \$56.40 Partnered - \$40.40
Full rate of Pension Supplement (basic amount and remaining amount combined)	GST Supplement, Pharmaceutical Allowance, Utilities Allowance, Telephone Allowance, one-off increase amount	Single - \$86.50 Partnered - \$65.20

Note: Pensioners may be eligible for other supplements, such as Rent Assistance and Energy Supplement. Eligibility for these supplements is not changing.



Current settings

Time overseas	Pension base rate	Supplement - basic amount	Supplement - remaining amount
0-6 weeks	Yes	Yes	Yes
7-12 weeks	Yes	Yes	No
13 weeks+	Yes	Yes	No

New settings (from 20 September 2026)

Time overseas	Pension base rate	Supplement - basic amount	Supplement - remaining amount
0-6 weeks	Yes	Yes	Yes
7-12 weeks	Yes	Yes	Yes
13 weeks+	Yes	No	No

Supplement changes

0 weeks ⌚ **12 weeks**

RULE CHANGE

Before 20 September 2026

After 20 September 2026



Up to 6 weeks overseas

Pension Supplement paid in full



Up to 12 weeks overseas

Pension Supplement paid in full



After 6 weeks

Supplement reduces to the basic amount



After 12 weeks

Supplement ceases completely



Permanent move overseas

Supplement reduces to the basic amount



Permanent move overseas

Supplement ceases

For more information

Visit the [Department of Social Services](https://www.dss.gov.au) website (dss.gov.au) to find out more about this measure and other Department of Social Services' Budget measures.

Visit the [Australian Government Budget](https://www.budget.gov.au) website (budget.gov.au) to find out more about the 2026–27 Budget.