



Tax offset questions T1-T2 – Individual tax return 2025

Instructions to help you to complete tax offset questions T1 and T2 in your paper individual tax return.

T1 Seniors and pensioners tax offset 2025



Complete this question if you meet the conditions to claim the seniors and pensioners tax offset (SAPTO).

T2 Australian superannuation income stream 2025



Complete this question to work out if you're eligible for this super income stream tax offset and the amount.

Tax offsets in your supplementary tax return 2025



Complete question T if you had tax offsets in the supplementary section in your tax return.

Total tax offsets 2025



Complete this question to work out the total tax offsets in your tax return.

T1 Seniors and pensioners tax offset 2025

Complete this question if you meet the conditions to claim the seniors and pensioners tax offset (SAPTO).

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Things you need to know

Seniors and retirees (including self-funded retirees) may be eligible to claim a tax offset if you meet both conditions:

- [eligibility for Australian Government pensions and similar payments](#)
- [rebate income amounts](#).

However, you can't claim this tax offset if you're in jail for the whole of 2024–25.

If you have a spouse, you:

- also need to work out whether they are eligible for the tax offset
- may not get the SAPTO even if you meet all the eligibility conditions, as we base the amount of the tax offset on your individual rebate income, not your combined rebate income.

For the definition of:

- spouse, see [Tax time definitions](#).

- rebate income and the worksheet to work it out, see [Rebate income 2025](#).

If you're eligible for this offset, we use the information you provide at this question we will calculate the amount of the offset for you.

Use our beneficiary tax offset and seniors and pensioners tax offset calculator to:

- work out whether you're eligible for this tax offset
- get an estimate of your tax offset.



Beneficiary tax offset and seniors and pensioners tax offset calculator

Eligibility for Australian Government pensions and similar payments

Condition 1: Do any of the conditions in the following table apply to you in 2024–25?

Table: Condition and explanation

Condition	Explanation
A	<p>You show at question 6 in your tax return, either:</p> <ul style="list-style-type: none"> • an Australian Government pension or allowance from Centrelink • a pension, allowance or benefit from the Department of Veterans' Affairs (DVA).
B	<p>You met the Centrelink age pension age requirement and are eligible for an Australian Government age pension during 2024–25, but don't receive it because you didn't make a claim, or because of the income test or the assets test, and you satisfy one of the following:</p> <ul style="list-style-type: none"> • you have been an Australian resident for age-pension purposes for 10 years or more, of which 5 years of these years are continuous • you have a qualifying residence exemption because you arrived in Australia as a refugee or

	<p>under a special humanitarian program</p> <ul style="list-style-type: none"> • you receive a partner allowance, a widow allowance, or a widow B pension immediately before turning age pension age • you're a woman who was widowed in Australia, and <ul style="list-style-type: none"> – you and your late partner are Australian residents when your late partner died – you're currently in Australia, and – you have been an Australian resident for at least the last 2 years • you're a woman and on 19 March 2020 you're either receiving <ul style="list-style-type: none"> – a wife pension and you weren't receiving a carer allowance – a special needs widow B pension • you're a woman and on 31 December 2021 you're receiving a widow allowance • you would qualify for an age pension under an international social security agreement. <p>To work out whether you're eligible for a social security or Centrelink pension, go to Services Australia website .</p> <p>For all other enquiries on the seniors and pensioners tax offset, contact us.</p>
C	<p>You met the veteran pension age test and are eligible for a pension, allowance or benefit from Veterans' Affairs during 2024–25, but don't receive it because you haven't made a claim, or because of the income test or the assets test, and you're either:</p> <ul style="list-style-type: none"> • a veteran with eligible war service • a Commonwealth veteran, allied veteran or allied mariner with qualifying service. <p>If you're not sure whether you're eligible for a payment, visit the Department of Veterans' affairs website .</p>

If your answer to any of the criteria is:

- **Yes**, you have met condition 1, continue to [Condition 2](#).
- **No**, you're not eligible for this tax offset, see [Where to go next](#).

Rebate income amounts

Condition 2: Rebate income amounts

You meet this condition if any of the following applies to you in 2024–25:

- You don't have a spouse, and your rebate income was less than \$52,759.
- You have a spouse, and the combined rebate income of you and your spouse was less than \$87,620.
- At any time in 2024–25 both of the following apply
 - you and your spouse **had to live apart due to illness** or because one of you was in a nursing home
 - the combined rebate income of you and your spouse was less than \$100,104.

Your combined rebate income is the total of:

- your rebate income
- your spouse's rebate income
- the amount on which a trustee of a trust was liable to pay tax in respect of your spouse because your spouse was under a legal disability, such as being an undischarged bankrupt or a person who was declared legally incapable because of a mental condition.

If your answer to any of the criteria is:

- **Yes**, you meet condition 2, continue to [Completing your tax return](#).
- **No**, you're not eligible for this tax offset, go to question [T2 Australian superannuation income stream 2025](#).

Completing your tax return

To complete this question, follow the steps.

Step 1

Work out which of the following code letters applies to your circumstances at any time in 2024–25.

Seniors and pensioners tax offset code letters

Code letter	Explanation
A	You're single, separated or widowed.
B	You and your spouse: <ul style="list-style-type: none">• are both eligible for the seniors and pensioners tax offset• had to live apart due to illness or live apart because one of you was in a nursing home.
C	Your spouse wasn't eligible for the seniors and pensioners tax offset, and you and your spouse either: <ul style="list-style-type: none">• had to live apart due to illness• live apart because one of you was in a nursing home.
D	You and your spouse: <ul style="list-style-type: none">• live together, and• are both eligible for the seniors and pensioners tax offset.
E	You and your spouse: <ul style="list-style-type: none">• live together, and• your spouse isn't eligible for the seniors and pensioners tax offset.

Step 2

Work out the letter code to use if more than one applies to your circumstances.

Does more than one code letter apply?

- **No**, print your code letter from Step 1 in the **TAX OFFSET CODE** box at question **T1** – label **N**. Go to **Step 3**.
- **Yes**, use the first code letter that applies to you in the Table: Senior and pensioners tax offset code letters, unless one of the 2 following circumstances applies to you
 - Both **A** and **B** apply, and your spouse's taxable income was less than **\$18,334** – print code **B** in the **TAX OFFSET CODE** box at question **T1** – label **N**.
 - Both **A** and **D** apply, and your spouse's taxable income was less than **\$12,494** – print code **D** in the **TAX OFFSET CODE** box at question **T1** – label **N**.

Your spouse's taxable income is the amount you show at **Spouse details – married or de facto** – label **O** in your tax return.

Step 3

Complete this step if you or your spouse is a veteran, war widow or war widower.

Are you or your spouse a veteran, war widow or war widower?

- **No**, go to **Step 4**.
- **Yes**, select the veteran code letter that applies to you
 - **V** – you're a veteran, war widow or war widower
 - **W** – your spouse is a veteran, war widow or war widower
 - **X** – both **V** and **W** apply to you and your spouse.

Print the code letter in the **VETERAN CODE** box at question **T1** – label **Y**.

Step 4

You must read **Income tests 2025** and complete all income tests questions.

Step 5

If you have a spouse during 2024–25, you must complete **Spouse details – married or de facto** in your tax return.

Any unused portion of tax offset


If both you and your spouse are eligible for the SAPTO and one of you doesn't use it all, the unused portion may be available for transfer to the other person. We will work this out for you automatically when you lodge your tax return and transfer any entitlement.

To work out whether there is any unused spouse's seniors and pensioners tax offset available to transfer to you, we don't take your spouse's other credits and tax offsets into account.

The maximum SAPTO amounts for an eligible couple depends on your circumstances. If you:

- live apart due to illness, the maximum tax offset is \$2,040 each
- live together, the maximum tax offset is \$1,602 each.

Pensioner ages and tests

To be eligible for an Australian Government age pension from **Centrelink**, on 30 June 2025 a pensioner must be [67 years or older](#) .

To be eligible for a pension, allowance or benefit from **Veterans' Affairs**, you must meet the veteran pension age test and on 30 June 2025 be 60 years old or older.


You meet the veteran pension age test if one of the following applies to you, and you're eligible for a pension, allowance or benefit under the *Veterans' Entitlements Act 1986*:

- you have eligible war service, that is, service in World War II or operational service as a member of the Australian Defence Force
- you're a Commonwealth or allied veteran who served in a conflict in which the Australian Defence Force was engaged during a period of hostilities, that is, in World War II, Korea, Malaya, Indonesia or Vietnam
- you're an Australian or allied mariner who served during World War II
- you're the war widow or widower of a former member of the Australian Defence Force.

Pension, allowance or benefit includes:

- disability pension
- service pension

- white or gold Repatriation health cards for treatment entitlements.

If you're not sure if you meet the veteran pension age test, visit the [Department of Veterans' affairs website](#) .

Where to go next

- Go to question T2 Australian superannuation income stream 2025.
- Return to main menu Individual tax return instructions 2025.
- Go back to Taxable income or loss 2025.

QC 104123

T2 Australian superannuation income stream 2025

Complete this question to work out if you're eligible for this super income stream tax offset and the amount.

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Things you need to know

If you receive an Australia superannuation (super) income stream, you may be eligible to claim a super income stream tax offset.

Your *PAYG payment summary – superannuation income stream* shows the tax offset amount available to you on your taxed element. There is a limit on the amount of tax offset you can claim on your untaxed

element. This isn't on your payment summary, for more information, see [Superannuation income stream tax offset](#).

If you show an amount at question **7** – label **M Assessable amount from capped defined benefit income stream**, you're not eligible to a tax offset on the untaxed element amount you show at question **7** – label **M**. However, you may be eligible to a tax offset on another amount.

If you don't receive an Australian super income stream on a *PAYG payment summary – superannuation income stream*, see [Tax offsets in your supplementary tax return 2025](#).

Completing your tax return

To complete this question, follow the steps.

To help work out the tax offset amount to report at **T2**, use the [Defined benefit income cap tool](#) or [Worksheet 1](#).

Step 1

At any time in 2024–25 are you both:

- under 60 years old
- not receiving a death benefit income stream where the deceased was 60 years old or older at the time of death?

If your answer to these questions is:

- **Yes**, add up the tax offsets your payment summaries show. Add the result to any other amount at [Worksheet 1](#) – row **g**. Go to [Step 2](#).
- **No**, go to [Step 2](#).

Step 2

At any time in 2024–25 are you both:

- under 60 years old
- receiving a death benefit income stream where the deceased was 60 years old or older at the time of death?

If your answer to these questions is:

- **Yes**, add up the tax offsets your payment summaries show, excluding capped defined benefit income stream that is a death benefit income stream where the deceased was 60 years old or older.

Add the result to any other amount at **Worksheet 1 – row g**.

Go to **Step 3**.

- **No**, go to **Step 3**.

Step 3

In 2024–25, did you receive a capped defined benefit income stream with an untaxed element when you're either:

- 60 years old or older
- under 60 years old and you're receiving a death benefit income stream where the deceased was 60 years old or older at the time of death?

If your answer to these questions is:

- **Yes**, the tax offset amount you need isn't on your *PAYG payment summary – superannuation income stream*. To work it out, go to [Calculate the untaxed element](#).
- **No**, add together amounts at **Worksheet 1 – row g** and transfer to question **T2** – label **S**.

Calculate the untaxed element

Use the Defined benefit income cap tool to calculate the untaxed element of your capped defined benefit income stream.

Defined benefit income cap tool

To manually calculate the untaxed element of your capped defined benefit income stream, complete [worksheet 1](#).

You need the following amounts to complete worksheet 1:

- from question **7**, your defined benefit income cap
- from your *PAYG payment summary – superannuation income stream*
 - the total of your taxed element and tax-free components you receive when you're either

- 60 years old or older
- under 60 years old and the income stream was a death benefit income stream where the deceased was 60 years old or older (these amounts are to include lump sum in arrears).
- the total of your untaxed element, including lump sum in arrears, you receive when you were either
 - 60 years old or older
 - under 60 years old and the income stream was a death benefit income stream where the deceased was 60 years old or older.

Worksheet 1: untaxed element of your capped defined benefit income stream

Row	Calculation	Amount
a	Defined benefit income cap (from question 7).	\$118,750
b	Your total taxed element and tax-free components.	\$
c	<p>If row b is greater than row a then you're not eligible for a tax offset on your untaxed element. Write 0 (zero) at row f and then go to row g.</p> <p>Where row b is less than row a then subtract row b from row a.</p>	\$
d	Your total untaxed element.	\$
e	Write the lesser of row c and row d .	\$
f	Multiply row e by 10%.	\$
g	Add together any amount from steps 1 and 2.	\$
h	Add together row f and row g . This is your tax offset.	\$

Transfer the amount at row **h** to question **T2** – label **S**.

Where to go next

- Go to Tax offsets in your supplementary tax return 2025.
- Return to main menu Individual tax return instructions 2025.
- Go back to question T1 Seniors and pensioners tax offset 2025.

QC 104124

Tax offsets in your supplementary tax return 2025

Complete question T if you had tax offsets in the supplementary section in your tax return.

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Things you need to know

You need to complete the *Tax return for individuals (supplementary section) 2025* if you're entitled to a tax offset for any of the following:

- tax offset for superannuation contributions you make on behalf of your spouse
- zone tax offset when you live in a remote or isolated area of Australia
- overseas forces tax offset when you serve overseas as a member of the Australian Defence Force or a United Nations armed force
- invalid or invalid carer tax offset for the maintenance of an invalid or an invalid carer who is 16 years old or older
- landcare and water facility tax offset brought forward from an earlier year
- early-stage venture capital limited partnership tax offset
- early-stage investor tax offset

- foreign income tax offset for foreign income tax you pay and claim at question **20**
- tax offset for tax paid by the trustee of a special disability trust if you're the principal beneficiary
- tax offset for exploration credits.

If you don't have any of these tax offsets in your supplementary tax return, go to **Total tax offsets 2025**.

What you need to answer this question

You'll need a copy of the Tax return for individuals (supplementary section) 2025. You may also need to read Supplementary tax return instructions 2025.

Completing your tax return

Complete all details that are relevant to your circumstances in your supplementary tax return.

Transfer the **Total supplement tax offsets** amount in your supplementary tax return to the **Tax offsets** section in your tax return – question **T**.

Where to go next

- Go to question **Total tax offsets 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **T2 Australian superannuation income stream 2025**.

QC 104125

Total tax offsets 2025

Complete this question to work out the total tax offsets in your tax return.

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Completing your tax return

To complete this question, follow the steps.

Step 1

Add up all the tax offset amounts you claimed at questions **T2** and **T** in your tax return. (We work out the amounts at question **T1** automatically.)

If you didn't claim any tax offsets in the supplementary tax return, you won't have an amount at label **T**.

Step 2

Write the total amount at **TOTAL TAX OFFSETS** – label **U** in your tax return.

Where to go next

- Go to question M1 Medicare levy reduction or exemption 2025.
- Return to main menu Individual tax return instructions 2025.
- Go back to Tax offsets in your supplementary tax return 2025.

QC 104126

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