



## May 2026

As we enter the final month of Autumn, the focus has been on the Federal Budget and interest rates.

April certainly brought a sharper edge to the economic outlook with the Middle East crisis, inflation, volatile markets and fragile consumer confidence continuing to weigh heavily on investors.

The sharp increase in petrol prices fuelled a jump in inflation for March to 4.6%, the largest jump in three years. Underlying price growth was steadier, with trimmed mean inflation holding at 3.3%, although still exceeding the Reserve Bank's target range of 2-3%. Opinions are currently split on where interest rates are heading.

In the US, the Federal Reserve voted narrowly to keep rates on hold despite worsening economic conditions.

The ASX 200 was sliding downwards towards the end of the month with the Australian dollar also weaker but still trading near four-year highs

The latest Westpac-Melbourne Institute survey showed sentiment falling, highlighting growing pressure on household budgets from fuel and borrowing costs.

Oil prices continued their stellar climb with Brent crude now at its highest level since 2022.



**Numeric Wealth**  
Tower 2, Level 22,  
101 Grafton Street,  
Bondi Junction NSW 2022  
**P** 1300 880 126  
**E** [info@numeric.com.au](mailto:info@numeric.com.au)  
**W** [numeric.com.au](http://numeric.com.au)  
**Facebook** [numericwealth](https://www.facebook.com/numericwealth)



# Selling the family home & navigating aged care costs



**The transition of a parent or relative into residential aged care can be one of the most emotionally and financially challenging moments a family will face.**

Beyond the personal upheaval, a number of issues need to be dealt with quickly including how to fund the Refundable Accommodation Deposit (RAD), how to cover daily care fees and what to do with the family home.

On the plus side, selling the home can suddenly transform someone's financial position from "cash poor" to "cash rich". But for those relying on the Age Pension, the sudden spike in assets has major implications for pension eligibility, aged care means testing and ongoing fees.

Understanding how the rules work can make all the difference in turning a potentially damaging financial outcome into a sustainable aged care funding solution.

## **Making the move**

Usually, a person's home is exempt from the Age Pension assets test but once it's sold, the cash is then assessed as an asset and that may reduce the pension payments.

There are a number of exemptions to this rule. For example, if you leave your home to enter aged care due to illness, your home may be exempted from the assets test for up to two years. And, it won't be counted as an asset if your partner is still living there.<sup>i</sup>

In addition to the Age Pension means test, the types of fees and how much you pay for an aged care home bed also depend on an assessment of your income and assets. The aged care means test considers both your income and assets to determine how much government subsidy you receive and what you will pay in care fees.

## **Options for managing the proceeds of a sale**

Once the family home is sold, the sudden boost in cash can feel overwhelming. But, with good advice, the funds can be used to improve cashflow, reduce ongoing costs and preserve as much of the pension and aged care subsidy as possible.

Here are some of the options:

### **Paying the refundable accommodation deposit (RAD)**

Paying the full RAD means you don't pay the daily accommodation fees (DAP), which can be hundreds of dollars per day. But, be aware, that a refundable lump sum is counted as your asset in the aged care means assessment, even if it is paid by a family member. This means that paying a lump sum can affect your fees. On the other hand, a RAD may improve Age pension eligibility for some people.<sup>ii</sup>

### **Paying a part RAD and part DAP**

It doesn't have to be all or nothing. You could pay some of the accommodation deposit and then pay a reduced daily fee. The advantage is that you have access to the cash for living and medical expenses.

## **Making a downsizer super contribution**

For those aged over 55, up to \$300,000 can be contributed to super after selling the family home, which may be a more tax-effective environment. There is no maximum age on making a downsizer contribution despite normal super rules preventing most voluntary contributions after age 75.

Your super balance is also assessed as part of the means test for both the Age Pension and aged care fees.

## **Renting the home instead of selling**

This option might suit those who want to keep the property in the family. While the rental income will be counted as part of the income test, depending on how you pay for your aged care accommodation, there may be some exemptions from means testing.

In a nutshell, selling the family home can affect both the Age Pension and aged care means testing, increasing costs and reducing entitlements.

The key is in using the new funds wisely. With careful planning, families can navigate this transition in a way that protects income, manages fees and ensures the person entering aged care has the resources they need.

With so many complex and time-sensitive decisions to make during an already emotional period, getting the right advice can be critical in helping families make informed choices and avoid costly mistakes. Please give us a call if you'd like more information.

<sup>i</sup> <https://www.servicesaustralia.gov.au/real-estate-assets>

<sup>ii</sup> <https://www.myagedcare.gov.au/understanding-aged-care-home-accommodation-costs>



# Common ~~SCAMS~~ to watch out for at EOFY

As the end of the financial year approaches, it's a busy time for preparing your taxes, reviewing super, and getting your finances in order. Unfortunately, it's also a peak period for scammers looking to take advantage of people and businesses who are focused on deadlines and end-of-year financial tasks.

EOFY creates the perfect environment for fraud. With refunds, payment reminders, super contributions, and updated financial documents all top of mind, scammers rely on urgency and distraction to trick people into handing over personal or financial information.

Knowing what to watch for can save you stress, money, and headaches. This guide highlights the most common EOFY scams and offers practical tips to help protect your finances before you act.

## **Fake ATO communications**

A common scam involves messages pretending to be from the Australian Taxation Office. These can arrive as emails, text messages, or phone calls, claiming that a refund is due or that a tax debt must be paid immediately.

Scammers create urgency by threatening penalties, legal action, or freezing accounts. They often ask for payment via unusual methods like gift cards, cryptocurrency, or direct bank transfer. The ATO will never request payment in these ways.

Always verify suspicious communications independently. Do not click links or provide personal information in response to unexpected messages. If in doubt, search online to find the correct contact details.

## **Phishing emails targeting business owners**

EOFY is a particularly high-risk time for businesses. Scammers often send emails that look like they come from payroll providers, accounting software platforms, banks, or even bookkeepers.

These emails may request login credentials, bank information updates, or contain attachments that install malware. Verify any unusual requests by calling the organisation using a trusted phone number. Never rely on the contact details or links provided in the email itself.

Even seemingly minor requests can be part of a larger scheme. A small error in payment details can lead to ongoing losses if scammers are able to redirect multiple invoices over time.

## **Invoice and payment redirection scams**

Businesses finalising accounts are often targeted with fake invoices or intercepted invoices that have altered bank account details.

Because these payments are routine and expected, they can be processed without question. Always double-check any changes to payment details with the supplier before sending funds. A quick verification call can prevent significant financial loss.

It's also wise to keep a consistent process for approving payments, including multiple checks or sign-offs for large amounts, to reduce the risk of falling victim to invoice scams.

## **Superannuation and investment scams**

Scammers take advantage of EOFY financial reviews by promoting fake investment opportunities or superannuation schemes that promise high returns or tax advantages. Some even claim to help access super early to "avoid tax" or "invest better."

Be cautious of unsolicited offers and guaranteed returns. Only consider changes to super or investments through verified and legitimate channels. Check any adviser or company through the official regulatory registers before taking any action.

## **Social media and SMS scams**

Short text messages or social media ads claiming you are eligible for a tax refund are increasingly common. These often contain links to fake websites that collect personal information. Scammers may use official-looking logos, branding, and URLs to make the message appear legitimate.

Do not click on links from unexpected messages. Verify the legitimacy of any refund or offer through official websites and use secure channels for submitting sensitive information.

## **Staying safe**

At EOFY, it's important to slow down. Scammers rely on urgency. Messages that pressure you to take immediate action or threaten consequences are red flags. Verify first, act second.

Keep devices and software up to date, use strong and unique passwords, and enable two-factor authentication where possible. Keep an eye on your accounts for unusual activity and regularly review payment processes to make sure safeguards are in place.

EOFY should be a time to tidy up finances and plan for the year ahead. Protecting yourself from scams ensures that money stays where it belongs and that EOFY is a time for financial clarity, not stress.

For any questions or concerns about suspicious communications, talk to us. A quick check now can prevent problems later and give peace of mind while managing your EOFY finances.



# Retirement income options when markets are volatile

The income assumptions many have carried into retirement are being tested in the current economic climate.

Markets have lurched from one direction to another; interest rates have lifted faster than expected, with the possibility of more increases in the months ahead, and there's no end in sight to the global uncertainty.

While the market shocks are interspersed with periods of relative calm, The Reserve Bank of Australia (RBA) warns that the disruption could pose challenges to our financial stability.<sup>i</sup>

Nonetheless, the RBA says Australia is "well placed" to handle the uncertain times.

For those heading into retirement and focused on income security rather than speculation, having a clear view of the different retirement income options can help.

## Account-based pensions

One of the most common retirement income options is an account-based pension, often started using superannuation savings. Your money stays invested, and you draw a regular income from the account, choosing the payment amount (subject to minimum annual withdrawals set by law) and the investment mix.<sup>ii</sup>

The appeal here is flexibility. You can adjust payments and investment options, and the remaining balances can be left to beneficiaries in your will.

On the other hand, account-based pensions are directly exposed to market movements. So, when markets fall, your account balance may be affected. That could reduce your future income particularly if you continue withdrawals during a market downturn.

The risk is most significant in the early years of retirement. Losses combined with regular withdrawals can permanently reduce how long savings last, a challenge known as sequencing risk. Understandably, many retirees respond by spending less than they could afford, even when markets recover, simply to avoid the fear of running out of money later in life.<sup>iii</sup>

## Lifetime annuities

Annuities offer a different approach. In return for a lump sum investment, annuities pay a guaranteed income either for a fixed period or for the rest of your life. Because the payments are not linked to daily market values, they could deliver a strong sense of certainty, particularly when it comes to covering essential living costs.<sup>iv</sup>

Some annuities provide fixed payments, some increase with inflation and others offer income linked partly to investment markets while still guaranteeing payments for life. These alternative styles of annuities aim to balance stability with the potential for higher long term income.

## Combining income streams

Rather than choosing between flexibility and certainty, retirees may benefit from using more than one income stream. This approach combines a guaranteed income source with a more flexible one.

For example, a lifetime annuity might be used to cover the basics such as housing, food and utilities, while an account based pension funds discretionary spending, travel or unexpected expenses. Research suggests this could lead to more stable income and greater confidence to spend, even when investment markets are volatile.<sup>v</sup>

By making sure that your essential expenses are met regardless of market

conditions, you may be less likely to panic or reduce spending during downturns.

## The Age Pension

The Age Pension is an important part of the retirement income picture for many. It provides a government backed, inflation linked income that is not affected by market performance. For eligible retirees, it can act as a valuable safety net later in life, particularly if personal savings decline.

Some lifetime income products receive concessional treatment under the Age Pension assets test, which can improve eligibility or payment levels. Understanding how different income streams interact with Centrelink rules can affect retirement outcomes.<sup>vi</sup>

## Retirement income is about what fits, not forecasts

There is no single best retirement income option. Each comes with trade offs between flexibility, risk, growth potential and control. What matters most is how well an income strategy matches your spending needs, risk tolerance and desire for certainty.

The right structure, could help to reduce stress and support more confident spending in retirement. Uncertainty doesn't have to mean insecurity.

Talk with us about structuring a retirement income approach that fits your priorities and your circumstances.

i <https://www.rba.gov.au/publications/fsr/2026/mar/the-global-macro-financial-environment.html>

ii <https://www.ato.gov.au/tax-and-super-professionals/superannuation-professionals/apra-regulated-funds/paying-benefits/income-streams>

iii <https://www.superguide.com.au/in-retirement/super-funds-income-for-life>

iv, vi <https://www.servicesaustralia.gov.au/income-streams>

v <https://www.superannuation.asn.au/account-based-pensions-and-annuities-investment-choices/>