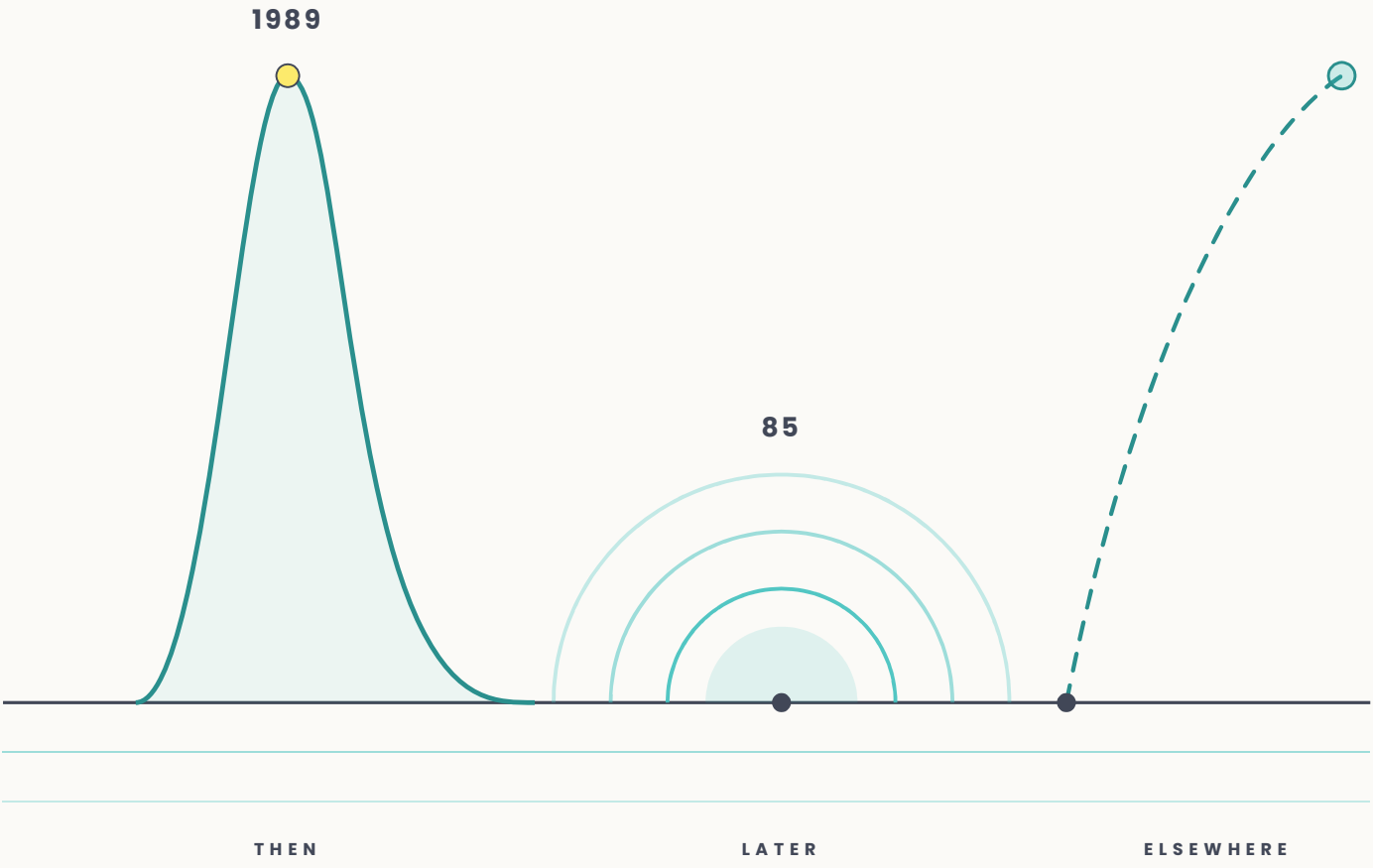
WealthAdviser

ISSUE 147
OCTOBER 2026



WEALTH ADVISER · ISSUE 147

Then, later, *elsewhere.*

The rate memories a generation still carries, the self you are planning for, and the months you hope to spend away.

03
When mortgage rates were 17 per cent

06
A letter from your 85-year-old self

09
The retirement passport

FROM THE EDITOR

The rate we remember. The self we'll become. The months *away*.

Every generation carries its own financial memories, and the one now in or near retirement carries a vivid one: mortgage rates of 17 per cent. With the cash rate rising again this year, our lead feature asks what those years really taught, and why today's lower rates can weigh as heavily on households as the higher ones did then. The instincts that era built are worth keeping, as long as they are still choices rather than reflexes.

Our second feature takes an unusual form: a letter from your future self. Behind it sits some of the most useful research in household finance, which finds that our skill with money tends to soften gently with age while our confidence in it does not. The answer is not worry but timing, and the best time to make life simpler for your 85-year-old self is now.

Finally, for readers with a long trip in mind, we look at the rules that quietly shape months spent overseas, from travel insurance and medicines to the pension time limits that changed in September. The freedom to travel is one of retirement's great rewards. A little planning before you leave makes sure it stays that way.

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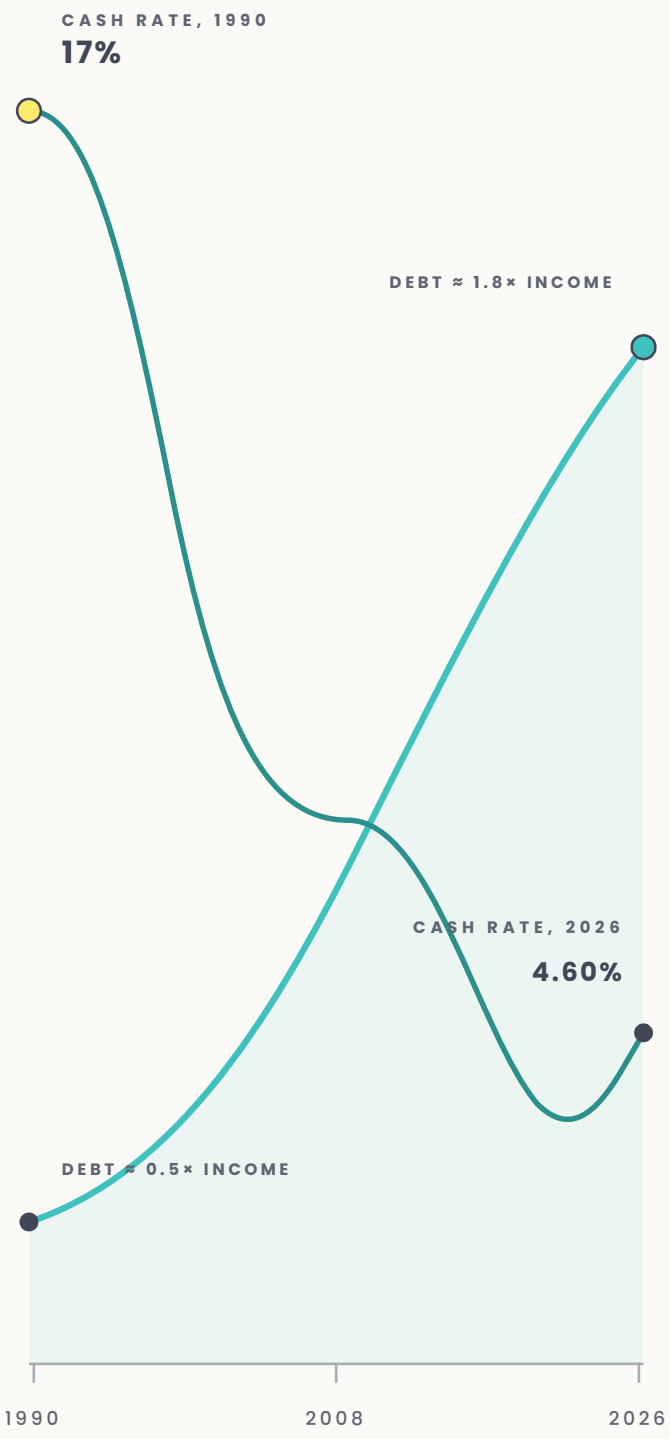
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FEATURE I · RATES



THE RATE FELL. THE WEIGHT ROSE.

THEN AND NOW

When mortgage rates were *17 per cent*

What the high-rate years taught a generation, and which of those lessons still hold

CONTINUED FROM OPPOSITE

If you bought your first home in the late 1980s, there is a fair chance you still remember the number. Not the price of the house, which looks almost quaint now, but the interest rate on the loan. Seventeen per cent. Some people remember the letters from the bank advising that repayments were going up again. Others remember the extra shifts, the holidays that didn't happen, or the neighbours who sold because they couldn't hold on.

Those years built a set of instincts about debt, cash and property that many people still carry. When the Reserve Bank lifted its cash rate to 4.60 per cent on 29 September, its fourth increase this year and the highest cash rate since November 2011, a familiar response could be heard around plenty of dinner tables: this is nothing, we paid seventeen.

Here is the part that surprises most people who lived through it. On the measures economists use to gauge the burden of interest and mortgage repayments, Australian households over the past three years have carried a load that matched, and on some measures exceeded, the load of 1989 and 1990.

THE YEARS THAT SET THE HABITS

The late 1980s were a boom that ended badly. Inflation had sat stubbornly at seven to eight per cent for much of the decade, and asset prices had surged. To slow the economy, official interest rates were pushed into the high teens, and standard variable mortgage rates peaked at around 17 per cent in 1989 and early 1990. Real Estate Institute figures reported at the time had Sydney households devoting close to 45 per cent of their income to mortgage repayments.

The slowdown was severe. In November 1990 the Treasurer, Paul Keating, told the country it was in "the recession that Australia had to have". Victoria's Pyramid Building Society and the State Bank of South Australia collapsed. Unemployment climbed from 5.8 per cent at the end of 1989 to a peak of 11.2 per cent three years later.

Then rates fell, and fast. Between January 1990 and July 1993 the cash rate came down from around 17 per cent to 4.75 per cent.

WHY 17 PER CENT IS THE WRONG NUMBER TO COMPARE

An interest rate tells you the price of each dollar borrowed. It says nothing about how many dollars were borrowed, and that is where the two eras part company.

> *The headline rate tells you surprisingly little about the weight households are actually carrying.*

In the early 1990s, total household debt amounted to a little over half of one year's household disposable income. By early 2026 it was close to 180 per cent. Loans are far larger, and a rate rise that would once have been an irritation now moves a household budget a long way.

Analysis of national accounts figures by KPMG found that interest payments across all Australian households peaked at 5.7 per cent of household income in the March quarter of 1990. In the December quarter of 2023, with the cash rate at 4.35 per cent, they reached 5.9 per cent. The Reserve Bank's measure of scheduled mortgage payments, which counts principal as well as interest, reached a historical peak in 2024 and by the middle of this year was back close to it. Neither 1990 nor 2023 holds the record on KPMG's measure, as it happens. That belongs to June 2008, when interest payments reached 7.9 per cent of household income with the cash rate at 7.25 per cent.

Those figures are averages across every household, including the many with no mortgage, so they understate the pressure on those who are borrowing. Today's burden is concentrated in younger households with large loans, many of them the adult children of people who remember 1990.

The second difference is quieter. For borrowers who kept their jobs and got through the immediate squeeze, high inflation did eventually do them a favour. With prices and wages rising at seven or eight per cent a year, the real value of a mortgage shrank quickly. The Reserve Bank observed back in 2003 that when inflation is low, rising incomes erode debt more slowly. Annual inflation of 4.0 per cent in the year to August 2026 is uncomfortable, but it is roughly half the pace of the late 1980s. Today's borrowers cannot rely on inflation and rising incomes to do the heavy lifting nearly as quickly as an earlier generation could.

The third difference cuts the other way. The early 1990s were so damaging because high rates arrived together with mass job losses. Unemployment was 4.6 per cent in August 2026, less than half its early-1990s peak. A household that keeps its income can absorb a great deal of pressure.

FOUR INSTINCTS THE ERA BUILT

None of what follows is a verdict. Each instinct was a sensible response to what people lived through, and each still serves some people well.

CONTINUED

"Pay off the house before anything else." Owning the home outright became the definition of safety, and it still has a great deal going for it: lower fixed costs, less exposure to whatever the Reserve Bank does next, and a principal home that is generally exempt from the Age Pension assets test. The cost shows up when the instinct becomes absolute. Directing every spare dollar to the mortgage can mean passing over other uses for it, such as super contributions with their own tax advantages. Later in life, the same instinct can make people reluctant to draw on home equity even when it would genuinely help, an option covered in Issue 137. The question is whether avoiding debt is still a choice or has become a reflex.

"Cash is safe." In 1989 a term deposit paid well into double figures with no risk to the capital. Cash doesn't fluctuate in dollar terms the way market investments can, and it lets people sleep. What the early 1990s also showed is that cash is safe for capital but not for income. Between 1990 and 1993 the cash rate fell by more than two-thirds, deposit rates followed, and retirees who had built budgets around interest income saw it shrink. Higher deposit rates in 2026 are a genuine benefit for savers. The trade-off is between the certainty of the capital and the uncertainty of the income once today's terms mature.

"Property always comes good." Over the long run, Australian property has rewarded patient owners handsomely, but one period's experience is not a guarantee about the next. National dwelling values fell for the sixth consecutive month in September, leaving them 5.2 per cent below their March peak, according to Cotality. The tax settings are changing too. Under legislation passed in June, from 1 July 2027 the 50 per cent capital gains tax discount will be replaced for most assets by indexation of the cost base, together with a new minimum tax rate of 30 per cent on real gains for most individual investors, subject to some exceptions. Gains that accrue before that date keep the existing discount. Negative gearing will be limited to new builds, while investments made before Budget night, 12 May 2026, keep the existing treatment. Readers with long memories will recognise indexation: it applied until it was frozen at 30 September 1999. The case for any particular property deserves to be examined on today's terms rather than taken on trust.

> *A plan that works only if rates fall by a certain date is a forecast.*

"Rates always come back down." After 1990 they did, spectacularly. What is easy to forget is why. The Reserve Bank has explained that the structural decline in inflation during the 1990s allowed a major and lasting fall in interest rates, a once-in-a-generation shift rather than a cycle turning. Nobody knows the path from here, and 2026 has already brought four increases many people did not expect. A plan that works only if rates fall by a certain date is a forecast, and worth treating as one possibility among several.

A WORD ABOUT THE KIDS

There is a reason "we survived 17 per cent" tends to land badly with younger Australians. Their parents faced a higher rate on a much smaller debt, in an economy where inflation steadily shrank the loan. Many of their children face a lower rate on a far larger debt that will shrink much more slowly. Neither generation had it easy. They had it hard in different ways.

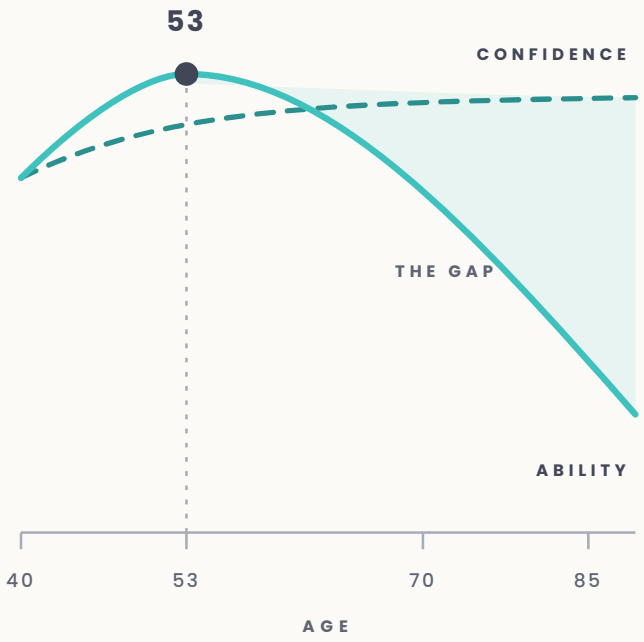
What does translate is worth passing on: the value of a buffer, the danger of borrowing to the limit, and the steadiness of not making permanent decisions in a temporary panic. Ways of helping a child into a home were covered in Issue 146.

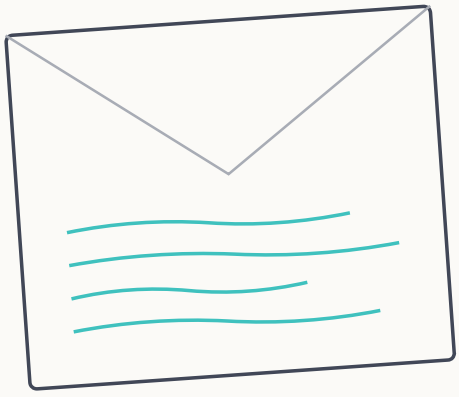
The generation that came through 1990 understands better than anyone that the rules can change quickly. That may be the most useful instinct of all to bring to a conversation about the years ahead.

WORTH THINKING ABOUT

For your next conversation with your adviser

- → Which of these four instincts most shapes your own decisions, and whether it is still serving your plan or simply surviving from an earlier time.
- → How much of your retirement income depends on interest rates staying where they are, and what would change if they fell sharply, as they did in the early 1990s.
- → Whether your property holdings still fit your plan in light of the capital gains tax and negative gearing changes starting on 1 July 2027.





PLANNING FOR YOUR 80S

A letter from your *85-year-old* self

Why the later years are a different financial phase, and what you can do now to make them easier

ISSUE 147 · OCTOBER 2026 · PAGES 6–8

CONTINUED FROM OPPOSITE

Dear you,

I'm writing from a little further down the road. Not far enough to have all the answers, but far enough to see which of your decisions I'm still grateful for, and which ones I'm quietly working around.

First, the good news. I'm still here, and I like my life more than you might expect. The days are slower and smaller, and that suits me better than it would suit you. Whoever is beside you as you read this, and whoever is beside me now, I hope you're making time for them.

But I want to tell you something that nobody told me clearly enough. The money got harder to manage, and I didn't notice it happening. Most people don't. I still felt as sharp as ever. I just started taking longer over statements, putting off decisions, and saying yes to things I'd once have questioned.

So this letter is a request, from me to you. You're better at this than I am now. Please set things up for the person you're going to become.

Letters from the future are a literary device, but the age is not. On current life tables, a 65-year-old Australian man can expect to live, on average, to about 85, and a 65-year-old woman to nearly 88. Many will live longer. For a great many readers, reaching the mid-80s is not a remote possibility but the central case.

> *Confidence in financial decision-making did not fall as ability did.*

The number of Australians aged 85 and over is also growing faster than any other age group. The Australian Institute of Health and Welfare projects it will roughly triple, from around 603,000 in 2024–25 to 1.9 million by 2065–66.

WHY THE 80S ARE A DIFFERENT PHASE

The first difference is in how people spend. The actuarial firm Milliman, using actual spending data from more than 300,000 Australian retirees, found that median spending among retired couples aged 85 and over was 36.7 per cent lower than among couples aged 65 to 69, with the gap widening most quickly after 80. That is a snapshot of different retirees at different ages rather than the same people tracked over time, but the pattern is consistent with research overseas. Travel and other discretionary spending are markedly lower among older retirees, health takes a larger share of what they do spend, and support at home or in care can bring significant new costs, covered in Issues 133 and 140.

The second difference, less discussed, concerns not what people spend but how well they manage what they have.

THE PART NOBODY NOTICES

A well-known study by economists at Harvard, New York University and the US Federal Reserve examined everyday financial decisions such as credit card fees and loan interest rates. Financial mistakes followed a U-shaped pattern: younger adults made more costly mistakes, middle-aged adults made the fewest, and older adults began making more again. In their data, mistakes were least costly at around age 53. The researchers noted that their figures reflect differences between generations as well as the effects of age itself, but the broad pattern has been confirmed repeatedly.

A separate study published in *Management Science* tested the financial knowledge of thousands of Americans aged 60 and over and found a steady decline in scores with each year of age. The rate was almost identical regardless of gender, education or whether people owned shares, which suggests natural ageing rather than generational differences. The researchers linked it to gradual changes in memory and problem-solving.

Here is the finding that matters most. In that study and a later one that followed older adults over time, confidence in financial decision-making did not fall as ability did. Participants whose cognition declined showed reduced financial knowledge but no reduction in their confidence in managing their own money, and many kept sole responsibility for their finances without seeking help.

This is not a story about dementia. For most of us, the change is gradual, ordinary and entirely compatible with a full and independent life. It is simply that the memory, numeracy and problem-solving we rely on to compare financial options and recognise a poor deal tend to soften gradually with age, while our sense of how good we are at those things stays the same. That gap is where costly mistakes, poor products and scams find their opening, a risk explored in Issue 134.

Dementia itself is a real planning contingency, though not an inevitability. The Australian Institute of Health and Welfare estimates that around 290 in every 1,000 Australians aged 85 and over are living with dementia, though it notes the true figure is not precisely known. Most people in their 80s are not, but the odds are high enough that planning for the possibility is sensible rather than pessimistic.

CONTINUED

The useful way to read all of this is as an argument for timing. Capable people make wills while they are well. Setting up your finances for your later years is the same kind of decision, best made while your judgement is at its strongest.

MAKING LIFE EASIER FOR YOUR 85-YEAR-OLD SELF

The most practical response is simplification. Many people arrive at retirement with financial lives built up layer by layer: several bank accounts, more than one super fund or pension, shares on different platforms, an investment property, perhaps a family trust or a self-managed super fund. Each made sense once. Together, they can become a lot to oversee.

Simplification does not mean selling everything or moving into one product. It means asking, for each part of your financial life, whether it still earns its place, and whether your 85-year-old self, or someone stepping in on their behalf, could understand and manage it. Some structures carry advantages that justify their complexity. Others are kept largely out of habit. The logic of Issue 145's article on winding up an SMSF applies more broadly: unwind complicated things while you can do it calmly and on your own terms.

Automation helps too: regular income, bills on direct debit and fewer decisions each month. So does an up-to-date record of what you own, where it is held and who to contact, kept where a trusted person can find it.

The final piece is formal arrangements, so that someone can step in smoothly if needed. Enduring powers of attorney and enduring guardianship were covered in Issues 131 and 144. The banking industry has long encouraged customers to use formal, registered arrangements rather than informal ones, such as sharing a card or online banking details with a family member. Formal arrangements give the institution something to rely on and give you protections informal ones don't. The industry's financial abuse guideline, updated in September, strengthens expectations for how banks manage third-party authorities where there is a risk of abuse.

Many people also introduce a trusted family member or friend to their adviser, so a relationship exists if it is ever needed.

WHEN ONE PERSON HAS ALWAYS HANDLED THE MONEY

In many couples, one partner manages the finances and the other is happy to let them. That works well, until illness, cognitive change or death leaves the other suddenly responsible for a financial life they have never had to understand.

> *Unwind complicated things while you can do it calmly and on your own terms.*

Simplification makes that handover far easier, and so does shared knowledge built up gradually: both partners attending reviews, knowing where things are and understanding the broad shape of the plan. The partner who manages the money is not giving up control by sharing it. They are making sure their good work outlasts their involvement.

What feels like the right level of complexity at 68 may feel very different at 84, when ease and certainty often matter more than squeezing out a better return.

So here's what I'm asking. Make it simple while you can still enjoy making it simple. Tell someone where everything is. Sign the papers before you need them. And when you feel completely certain about a money decision, ask someone you trust anyway. I wish I'd learned to do that sooner.

I'm proud of you, by the way. You got us here.

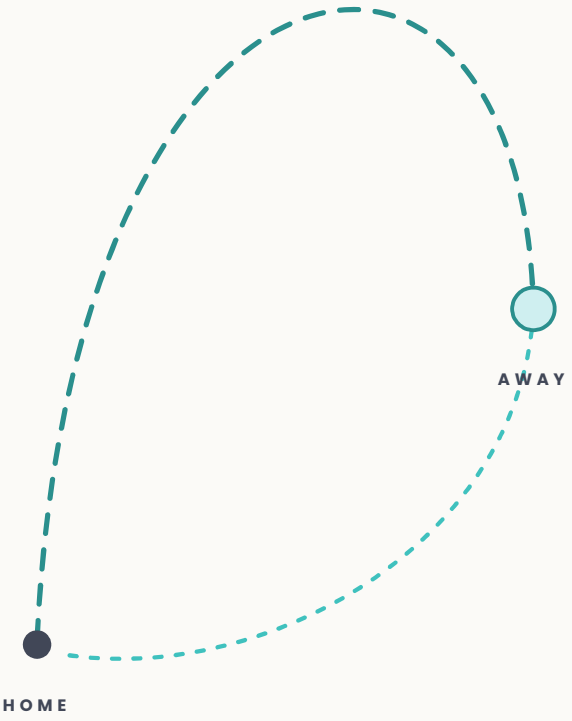
With love, and a little hindsight,

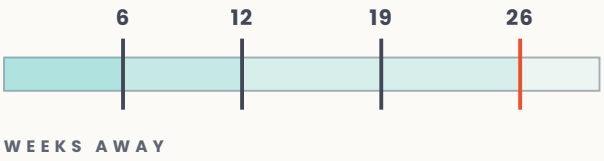
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WORTH THINKING ABOUT

For your next conversation with your adviser

- → Which parts of your financial life you would find harder to manage at 85, and whether any could be simplified while you can do it calmly and on your own terms.
- → Whether your enduring power of attorney and other formal arrangements are current, and whether the people named in them know where to find what they would need.
- → If one partner manages most of the finances, how the other could build a working understanding of the plan, gradually and without pressure.





SPENDING PART OF THE YEAR OVERSEAS

The retirement *passport*

The freedom to travel for months at a time is one of retirement's great rewards. A few rules quietly shape how it works.

THE CLOCK BENEATH THE JOURNEY.

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CONTINUED FROM OPPOSITE

Helen and David retired within a few months of each other, and for the first time in forty years there is no return-to-work date on the calendar. Next northern summer they plan to spend three months away: a month in Italy, a month walking in Portugal, and a month in London with their daughter and the grandchildren they mostly see on a screen.

The flights were the easy part. Helen had assumed Medicare would cover them in an emergency, at least in the countries with health agreements with Australia. It turns out Medicare doesn't cover Australians overseas, and the reciprocal arrangements that exist with a handful of countries are narrower than most people expect. David's heart condition also meant the first travel insurance quote came with a medical assessment and a very different price.

None of this will stop their trip, and most of the rules are manageable. They simply reward people who know about them before they leave rather than after.

BEFORE YOU GO

Health cover does not travel with you. Services Australia is explicit that if you need medical care in another country, Medicare won't cover you. Australia has Reciprocal Health Care Agreements with 11 countries, including the United Kingdom, Ireland, New Zealand and Italy, which may help with medically necessary treatment in their public systems, but Services Australia recommends travel insurance even for those countries. Standard Australian private hospital cover generally won't cover treatment overseas either.

That makes travel insurance the cornerstone of a long trip, and it is where age starts to matter. Smartraveller notes that insurers often charge older travellers more, and that policies for travellers over a certain age can come with medical assessments, reduced medical cover limits and limits on trip length. Pre-existing conditions are treated very differently from one insurer to the next. For a long trip, it is worth asking whether the policy covers the full length of your stay, how it treats your conditions, and what happens if you need to extend. Declare conditions honestly: an undeclared condition can void a claim when you most need it.

If you hold private hospital cover, ask your insurer whether you can suspend it rather than cancel. Suspensions are at the insurer's discretion and terms vary, but suspending generally avoids the waiting periods that can apply to new cover on your return.

> *Health cover does not travel with you.*

Medicines need forward planning. You can generally take your own Pharmaceutical Benefits Scheme medicines for personal use, but they can't be posted or sent to you overseas, and you can't get further supplies under the scheme once you've left. Taking enough for the trip where the rules permit, with a doctor's letter listing your medicines and doses and the original packaging, avoids a scramble abroad. Controlled medicines carry extra restrictions, so check with your doctor early.

Europe has a particular wrinkle. Australians can visit the Schengen area, which covers most of continental Europe, without a visa for up to 90 days in any rolling 180-day period. The limit applies to the whole area, not each country, and the European Union's Entry/Exit System now records every crossing digitally. Helen and David's two months in Italy and Portugal fit comfortably, and their month in the United Kingdom, outside the Schengen area, doesn't count. Australia also has older bilateral visa-waiver arrangements with several European countries that can sometimes permit a longer stay, although the rules are complex and need checking against the itinerary.

YOUR PENSION AND CONCESSION CARDS

For anyone receiving the Age Pension, the basic position is reassuring: the pension can generally continue while you're overseas, even for long periods. But a series of time limits change what you receive, and the rules for one of them changed on 20 September this year.

The first comes at six weeks, when your Energy Supplement stops and your Pensioner Concession Card is cancelled, so check the card is restored when you return.

The second comes at 12 weeks. Under the new rules, you keep the full Pension Supplement for up to 12 weeks while temporarily overseas, double the previous six. After that, it stops altogether rather than reducing to a basic amount as it used to. A three-month trip like Helen and David's runs just past that point, so a few days either way can make a difference.

The third comes at 26 weeks, when your pension rate depends on how long you lived in Australia between age 16 and Age Pension age. With 35 years or more, your rate generally won't change. With less, it is usually reduced in proportion: someone with 20 years would receive 20/35ths of their usual rate. This matters most for people who migrated as adults or worked overseas, often the same people with family abroad. Services Australia can extend the 26-week period if you can't return because of unforeseen circumstances such as serious illness or a natural disaster.

CONTINUED

Holders of the Commonwealth Seniors Health Card, covered in Issue 143, have a different limit. The card remains current for up to 19 weeks while you're temporarily overseas, after which it is cancelled and you need to reapply. For some people with older account-based pensions, losing the card can also mean losing a valuable grandfathered treatment of that pension, so a trip that drifts past 19 weeks deserves a conversation with your adviser before you book.

For these Centrelink time limits, the clocks generally reset each time you return to Australia, so travel in separate blocks is treated differently from one long absence. You can record your travel through your Centrelink online account, and it is worth doing so for any trip of more than six weeks.

WHILE YOU'RE AWAY

Most money questions are easier to solve before you leave than from a hotel room. Two cards from different providers mean a lost or blocked card isn't a crisis. Choosing the local currency rather than Australian dollars at a card terminal usually avoids dynamic currency conversion, where the merchant or its payment provider sets the exchange rate and may add a mark-up, though it won't necessarily avoid your own bank's foreign transaction fees. Put home bills on direct debit, and have a trusted person in Australia who can collect mail and deal with the unexpected. If they may need to act for you financially, a formal authority is far safer than sharing passwords, a theme explored elsewhere in this issue.

Travellers are also a target for scams, from fake booking confirmations to urgent messages that appear to come from your bank or family. The rules are the same as at home: pause, verify through a number you already know, and never move money because a message tells you to.

> *The rules reward people who know about them before they leave rather than after.*

Plans change, too. A family illness or simply falling in love with a place can stretch three months into five. The earlier you check your insurance, concession cards and pension position, the more options you'll have.

WHEN IT STARTS TO LOOK LIKE A MOVE

For most retirees, a long trip is exactly that. The Australian Taxation Office notes that people who have always lived in Australia will generally keep an Australian domicile while temporarily overseas unless they choose to make their home in another country permanently. That is one important factor, alongside the other residency tests and the circumstances as a whole, in whether they remain Australian residents for tax.

But patterns can drift. Trips stretch past six months. The home is rented out, the car sold, and more of the year is spent abroad than here. Services Australia's operational guidance notes that where repeated absences, even with short returns in between, extend over around three years, a person's continuing Australian residence may need to be reconsidered. That is a trigger for review, not an automatic rule, but it shows how the picture can change.

Crossing that line can affect your Age Pension, your tax residency and how your Australian income is taxed, your access to Medicare, your concession cards, and the capital gains tax treatment of your home. If your travel is becoming a way of life rather than a series of trips, that is the moment to work through the implications with your adviser, so the life you are choosing is one you have planned rather than stumbled into.

Helen and David, for their part, have sorted their insurance, booked a script review and put their return date in the calendar. They have also started talking, half seriously, about doing it every year.

WORTH THINKING ABOUT

For your next conversation with your adviser

- How a long trip would affect your Age Pension or Commonwealth Seniors Health Card, including the six-week, 12-week, 19-week and 26-week points that apply to your situation.
- Whether you hold an older account-based pension with grandfathered treatment, and what would put that at risk.
- Whether your travel plans are starting to look more like a move, and what that could mean for your tax residency, your pension and your home.

Q & A

Ask a *question.*

Five questions from readers this month: how the new capital gains tax rules affect a retiree planning to sell an investment property, why so many professionals are suddenly asking for ID, the age-75 deadline for super contributions, what your bank's new name-check is telling you, and how taking in a lodger affects the Age Pension.

I.

I'm retired on a modest income and plan to sell my investment unit in a couple of years. Do the new capital gains tax rules affect me?

Possibly. It turns on two things: when the gain accrued, and whether you receive an income support payment. From 1 July 2027, legislation passed in June replaces the 50 per cent capital gains tax discount with indexation, which adjusts the cost base for inflation so tax applies to the real gain, and adds a minimum 30 per cent tax on that gain. Growth your unit has achieved up to 30 June 2027 keeps the existing discount; only growth from 1 July 2027 falls under the new rules. The minimum tax is designed partly to stop investors reducing tax by selling in a low-income year, making it relevant to some self-funded retirees. **Recipients of income support payments, including the Age Pension, are exempt from the 30 per cent minimum**, although their post-2027 gains are still calculated using indexation. Timing a sale is worth discussing with your adviser and accountant first.

II.

Why are my real estate agent and accountant suddenly asking for my ID?

Because since 1 July 2026, many of them may now be required to. Australia's anti-money laundering laws have long applied to banks and financial services. The so-called Tranche 2 reforms extended them to real estate agents, lawyers, conveyancers, accountants and some other professionals when they provide certain higher-risk services, such as handling a property sale or purchase, managing client money, or setting up companies and trusts. These businesses must now identify and verify their customers, keep records and report suspicious activity to AUSTRAC. **Being asked for ID does not mean anyone suspects you of anything**: it is now a standard step, much like opening a bank account. Not every service triggers the rules, so your accountant may ask for ID for some work and not for others. If you're planning to sell or downsize, having your documents ready can avoid delays. Treat unexpected requests by email or text with caution.

III.

I turn 75 next year. Is it too late to put money into super?

Not yet, but the window is closing. Your fund can accept most voluntary contributions until 28 days after the end of the month in which you turn 75. After that, it can generally accept only compulsory employer contributions and downsizer contributions. The downsizer contribution has no upper age limit: if you're 55 or over and sell a home you've owned for at least ten years, you may be able to contribute up to $300,000 from the proceeds, whatever your age. If you want to claim a tax deduction for personal contributions between 67 and 75, you'll also need to meet the work test or its exemption. **A fund generally can't accept voluntary contributions received after the deadline, so leave a margin** rather than aiming for the last day. Contribution caps and your total super balance still apply.

IV.

My bank now shows me the account holder's name before I pay someone new. What is it, and should I rely on it?

It's called Confirmation of Payee, and it's one of the banks' main defences against scams and mistaken payments. Introduced progressively from July 2025 under the industry's Scam-Safe Accord, it checks the name you enter against the details the receiving bank holds for that BSB and account number when you set up or pay a new payee, and at some banks when you edit an existing one. You'll see a match, a close match or no match. A close match may simply reflect a nickname or abbreviation, but **a no-match result is a signal to stop and verify the details** through a phone number or source you already trust, never one supplied in the message asking for payment. A match is reassuring but not a guarantee, because scammers can open accounts in plausible names. If in doubt, pause; a genuine payee will understand. Issue 130 covers the broader warning signs.

V.

We're thinking of renting out a spare room. Will it affect our Age Pension?

It can, but usually less than people fear. Centrelink assesses only part of what a boarder or lodger pays you, because some of it covers your costs. If you provide accommodation only, 70 per cent of the payment is treated as income; with breakfast, 50 per cent; with all meals, 20 per cent. Mortgage interest or rent you pay can reduce the assessed amount further, and if your actual costs are higher you can provide evidence. The assessed amount then counts under the income test alongside your other income. **Taking in a lodger doesn't generally affect your home's exemption from the assets test**, although Centrelink may look more closely if part of the home is set aside for the lodger's use only. Different rules apply if the lodger is a close relative, or if you let more than five rooms. Tell Centrelink when the arrangement starts.

SCOPE These answers are general information only and do not take account of your personal circumstances. Rules and thresholds are as at October 2026. The capital gains tax changes in Question I start on 1 July 2027, and some details remain subject to further legislation. Speak with your adviser before acting on any of them.

REFERENCE

Key figures 2026–27.

The numbers referred to across this issue, in one place. Pension rates apply from 20 September 2026; super figures are for the 2026–27 financial year unless stated.

AGE PENSION, FROM 20 SEPTEMBER 2026

Maximum rate, single per fortnight, including supplements	$1,237.70
Maximum rate, couple each, per fortnight	$933.00
Age Pension age	67
Deeming, lower rate to $66,800 single / $110,600 couple	1.75%
Deeming, upper rate above those thresholds	3.75%
Full pension assets limit single / couple homeowner	$333,000 / $499,000
Lodger income assessed room only / with breakfast / all meals	70 / 50 / 20%

RATES AND DATES

RBA cash rate from 29 September 2026	4.60%
Annual CPI inflation year to August 2026	4.0%
Negative gearing grandfathering investments made before Budget night	12 May 2026
Next pension indexation	20 Mar 2027
CGT reform commences indexation and 30% minimum replace the 50% discount	1 Jul 2027

TRAVELLING OVERSEAS, TEMPORARILY

Energy Supplement stops; Pensioner Concession Card cancelled	6 weeks
Pension Supplement stops new rule from 20 September 2026	12 weeks
Commonwealth Seniors Health Card cancelled	19 weeks
Rate depends on residence 35 years from age 16 for the full rate	26 weeks
Schengen visa-free stay whole area, rolling	90 in 180 days

SUPERANNUATION 2026–27

Concessional contributions cap	$32,500
Non-concessional cap bring-forward up to $390,000	$130,000
General transfer balance cap	$2.1m
Division 296 threshold first test 30 June 2027	$3m
Voluntary contributions accepted until 28 days after the month you turn	75
Downsizer contribution from age 55, no upper age limit	up to $300,000

Sources: Services Australia, Department of Social Services, Australian Government Actuary, Australian Taxation Office, Reserve Bank of Australia, Australian Bureau of Statistics, Treasury, Smartraveller. Figures are as published at the time of writing and may be revised. General information only.

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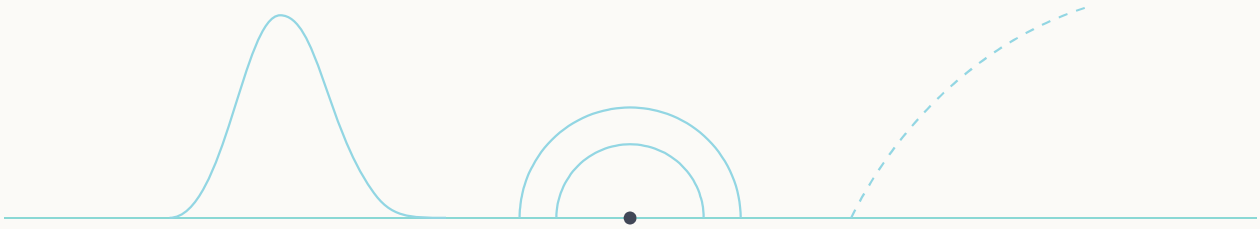
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IMPORTANT INFORMATION

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WealthAdviser

ISSUE 147 · OCTOBER 2026

Wealth Adviser is prepared for the clients of financial advisers within the WT Financial Group network and distributed by your advice practice.

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