

## Aged Care Planning

### Strategies to create peace of mind with security and certainty

Securing the best possible care in the later years of life is of critical importance to you and your family, particularly as health and mobility may be deteriorating. Accommodation and the level of daily assistance needed are often the major concerns. If independent living is no longer practical, moving to an assisted aged care accommodation facility may be the best solution. This can be a complex and confusing time with many important decisions to be made on a range of issues.

Making well informed, sensitive and effective choices is not only vital to achieving the best possible quality of life, it can also have major impacts on financial security and wellbeing. The priority in any planning and decision-making must always be to give you and your loved ones peace of mind and certainty, during what can be a particularly stressful and difficult time. This principle will apply whether you are:

- Planning ahead for your own aged care accommodation for the future.
- In a situation where you need to immediately investigate aged care accommodation for yourself
- A close relative or carer of someone who is considering moving to aged care accommodation.

#### What needs to be considered?

The scope of issues that need to be dealt with when considering moving to aged care can be daunting and can cause a good deal of stress and worry. Some of the major areas of concern include:

- What qualifies a person to be eligible for moving to an aged care facility and how will it be assessed?
- What types and choices of accommodation are available and which one will suit best?
- What will it cost to gain entry to an aged care facility?
- What ongoing fees are involved once a person has entered an aged care facility?
- How will the age pension or other Centrelink entitlements be affected?
- What should happen to the family home?
- How can investments and finances be structured to ensure long term income and capital security?
- What can be done to best position income and investments for tax efficiency?
- How can financial and estate arrangements be managed to ensure a smooth transfer to family members?

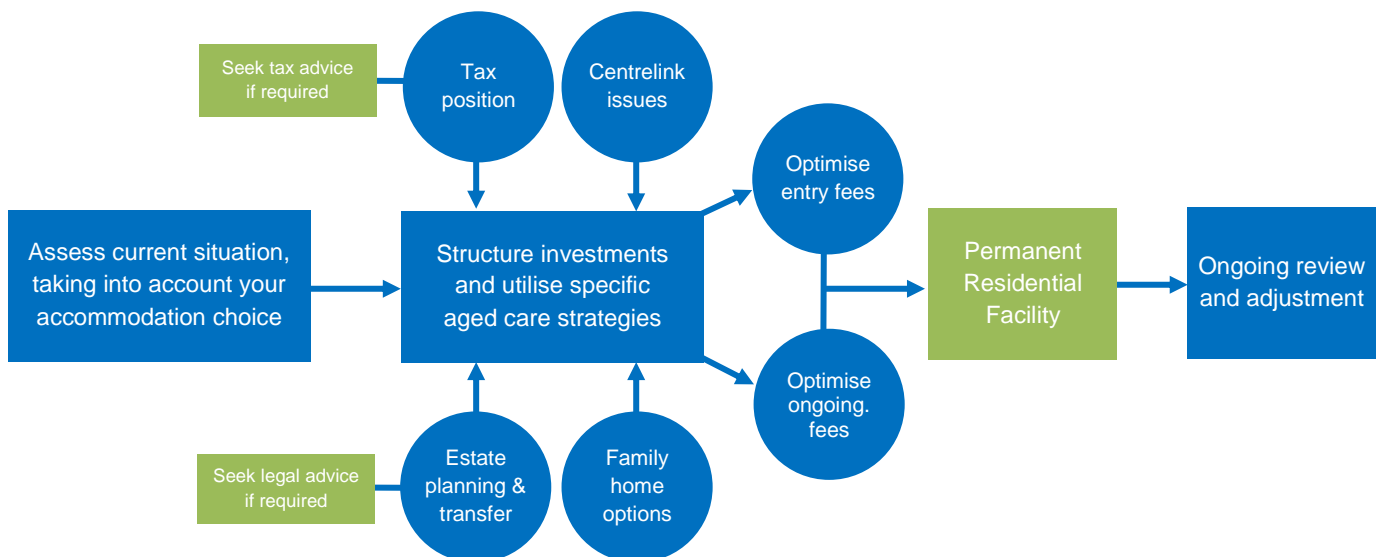
## How a professionally planned strategy can help?

Engaging an expert financial adviser to professionally prepare a personal aged care strategy gives you the benefit of:

- A thorough assessment of your personal financial situation, so that your various options can be correctly considered and well informed decisions can be made to your financial advantage.
- Recommendations developed by an objective professional who is outside of any direct stress of the situation.
- Expert advice on structuring of investments for Centrelink and tax efficiency.
- Informed recommendations on how to best deal with assets, such as the family home.
- Coordination of any additional specialist advice that may be required from legal or taxation professionals.
- Peace of mind that comes from knowing all aspects of your situation have been properly dealt with.

## Scope of advice

The following diagram illustrates the key elements covered by our advice (indicated in blue):



## Specific strategic considerations

The complexities of the aged care system and the social security and taxation environment make it impossible to simply provide a standardised or generic solution to you. We therefore need to fully understand your personal situation, feelings and preferences so that we can develop a customised plan that is totally specific to your needs.

To that end we will initially discuss with you:

- Your current accommodation and home ownership situation.
- Your ACAT assessment and what options are available including;
  - Issues surrounding aged care residential facilities
- The current situation with your spouse and what they will do if you want to move to an aged care facility.
- Your current Centrelink entitlements and income.
- Your non-home investment assets.

- Your current income, expenses and debt situation.
- Your future lifestyle needs once you move to aged care accommodation.
- Your attitude toward investment volatility.
- Your wishes for what happens to your estate when it comes time to pass assets on to your family.
- Arrangements you want to make regarding power of attorney, guardianship or health directives.

### **Specific areas that our advice recommendations will cover:**

Once we have a full understanding of your situation we can then apply our expert knowledge of the aged care system and existing legislation and regulations, in order to develop a customised strategic plan for you. This plan will cover specific recommendations on a variety of areas, including:

- Equipping you with relevant information to help you negotiate with aged care facilities, in order to secure a desired placement and acceptable fee structure.
- Determining the best course of action regarding the family home – sale, rental or retention - in order to optimise accommodation charges and pension entitlements.
- Determining if an accommodation deposit or contribution is payable and how you can best re-structure your assets to pay for it.
- Options for minimising any accommodation deposits, or paying a contribution in instalments while ensuring that Centrelink benefit outcomes are not compromised.
- Options for how ongoing accommodation fees, (standard residential contribution, income and asset tested fees and extra service fees), can be minimised and pension entitlements can be maximised, through careful structuring of investment assets and by using specific strategies, including:
  - Investment bonds held in a private trust.
  - Superannuation accumulation (if you or your spouse are below age pension age).
  - Income stream products.
- Consider cash flow requirements to meet ongoing care and lifestyle costs, so that this is reflected in investment planning.
- Examine potential tax saving opportunities and recommend any areas that need specific advice from a tax professional.
- Ensure any potential access to benefits, such as the seniors health card, is achieved through intelligent investment planning.
- Ensure investment planning gives due consideration to efficient estate transfer to beneficiaries in line with your wishes.
- Consider estate planning and estate control issues and recommend any areas that need specific advice from a legal professional.

### **Regular strategy review to maintain your strategy's effectiveness**

The strategies we recommend and plans we put in place will be based on our best professional assessment of your:

- personal situation and preferences
- family situation
- existing laws and regulations
- prevailing investment conditions

All of these aspects are subject to change. In order for your plans to remain relevant and efficient we recommend a regular review program is implemented. This review will also allow the opportunity to monitor specific investment performance, so that any adjustment or re-balancing can be undertaken to keep your plans focused on maximum performance.

We will make recommendations to you about how often reviews should be made and what they will involve, based on the complexity of your plan and your individual needs.

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