



Planning for aged care

 Astier

Aged Care Advice

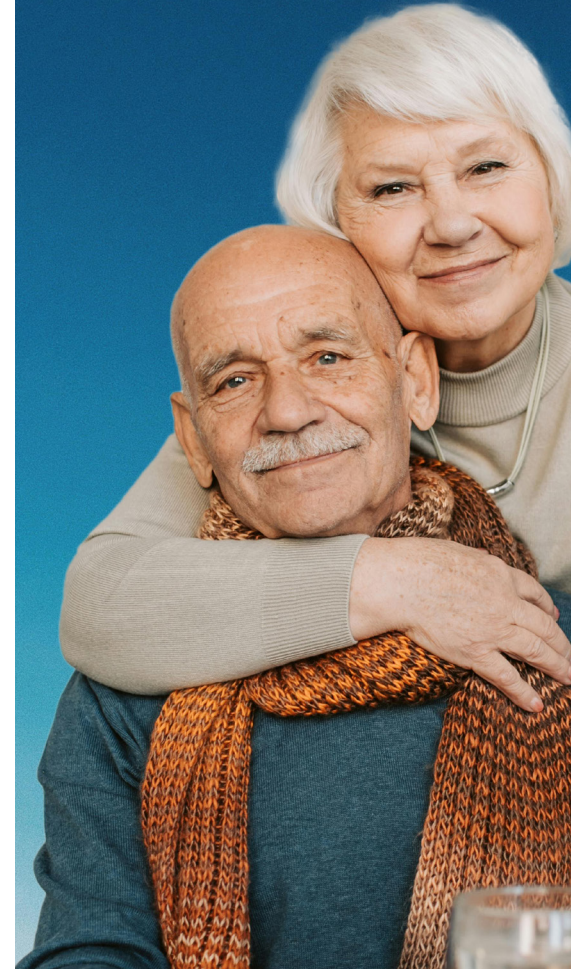
Need to plan a move to residential aged care?

This can be a stressful time, but early planning and good advice can minimise the stress for you and your family. You will be faced with many personal and financial decisions. This booklet steps out seven steps to help you navigate through the aged care maze and where to get help.



Your **seven steps** for aged care:

- ▶ Planning
- ▶ Assessing options
- ▶ Searching for services
- ▶ Understanding costs
- ▶ Covering the costs
- ▶ Estate planning
- ▶ Moving



01 Planning

Reduce the stress by planning ahead.

Start with a family meeting to make shared decisions. Use this meeting to:

- ▾ Discuss options and preferences
- ▾ Explore each person's concerns
- ▾ Decide who needs to be involved in any planning

Frank and open discussion is the first step to an effective decision-making process.

How to get help

Ask your adviser to facilitate your family meeting. They can provide advice as well as act as a conduit to achieve agreement.

02 Assessing Options

Aged care help can be accessed in your home or in a residential care service.

To help you decide which option is best, arrange a free assessment by an Aged Care Assessment Team/Service (ACAT/ACAS). You will need to have ACAT/ACAS approval before you can access government subsidised services.

How to get help

Contact My Aged Care on 1800 200 422 to arrange an assessment or speak to your family doctor.

Further information is available at www.myagedcare.gov.au

03 Searching for Services

If residential care is required think about what criteria is important in deciding where to live. Make a list. This should include location, amenities and your health care needs.

This list will help you to develop a shortlist of potential services which you might like to contact or visit. But first check what fees will be asked for accommodation to ensure it is affordable for you.

If all your boxes are ticked you can fill in an application and ask whether they have vacancies. You can apply to more than one service to increase your chances of finding a place.

How to get help

Listings: search by postcode for the list of aged care services in your preferred location and check accommodation fees on www.myagedcare.gov.au

Placement services: search the internet for 'aged care placement services' for advice and to help choose a service and negotiate a place.

Application form: discuss the application process with the care provider. You may be asked to fill in an application form, and they may have a waiting list.

04 Understanding Costs

What you will pay for residential care is divided into contributions towards accommodation, care and additional services.

How much you have to pay is based on:

- The choices you make
- Your assessable assets
- Your assessable income

The total payable can be hard to calculate without good advice.

How to get help

Your adviser can explain the fees and calculate an estimate of what you may be asked to pay.

If you have low levels of assets and income you may wish to ask Services Australia for an assessment to see if you qualify for concessions on the cost accommodation. But get advice before you complete this form to avoid any unintended consequences, and make sure your Centrelink and DVA records are up to date.

04 Understanding Costs

Accommodation payments

You will be asked to contribute towards the cost of your room and other amenities in the aged care service. This can be paid as a refundable lump sum or a daily fee. Daily payments are like paying rent or interest on an unpaid loan.

Daily Care Fees

You will be asked to contribute towards the cost of your care:

- A **basic daily fee** paid by everyone and set at 85% of the basic single age pension
- A **daily means-tested fee** may be payable if you have income and assets over specified thresholds. This fee is subject to annual and lifetime caps.

Additional Service Fees

You may be asked to pay additional fees for extra services if selected. These may be packaged or on a user pays basis. You should check if these are optional.

How to get help

Your adviser can explain the fees and calculate an estimate of what you may be asked to pay.

If you have low levels of assets and income you may wish to ask Services Australia for an assessment to see if you qualify for concessions on the cost accommodation. But get advice before you complete this form to avoid any unintended consequences, and make sure your Centrelink and DVA records are up to date.

05 Covering Costs

Before making a move, a complete review of your financial situation is ideal to ensure you can create sufficient cash flow and maximise your financial assets.

Many decisions may need to be made including:

- Should the family home be kept, sold or rented?
- Is it best to pay a lump sum or daily fee for accommodation?
- How is your Centrelink/Veterans' Affairs pension affected and can this be improved?
- What are the best investment options for any surplus money?
- How to manage any taxation implications?
- What are the implications for your estate?

How to get help

Your adviser can review your full financial situation and develop an appropriate strategy to help you make these decisions.

This will include advice on how to structure assets to pay for accommodation as well as create sufficient cash flow.

Your adviser may also recommend strategies to minimise fees or maximise Centrelink or Veteran's Affairs benefit.

For the best outcome involve your adviser early, and look beyond just the first year implications.

06 Estate Planning

Anytime your circumstances change it is important to consider the impact this has on your estate plans. This includes when you move into aged care.

Your will

Review your will and if needed (and possible), update it to reflect any changes.

Investments

Review investments with 'death benefit' nominations, to make sure they still meet your wishes.

Powers

Make sure you have the appropriate powers in place so that someone you trust can make decisions on your behalf:

- An Enduring Power of Attorney covers legal and financial decisions.
- An Advance Care Directive covers medical, health and lifestyle decisions.

These documents can only be put in place while you are deemed of sound mind so it's wise to establish them early. The rules are different in every state/territory.

How to get help

Your adviser can identify the consequences of any financial restructures and highlight issues that affect your will and specific investments.

Your solicitor can review and redraft the will to reflect your wishes and establish documents to grant the desired powers.

07 Moving

When you accept a place in an aged care service you will be asked to sign a Resident Agreement. This will detail the services provided and fees payable. It will also outline your rights and obligations.

Fees may commence once the place is accepted but you have 28 days to decide whether to pay for your accommodation as a lump sum (RAD) or a daily fee (DAP). After this you still have time to rearrange assets to make the payments.

If you receive Centrelink or Veterans' Affairs payments, you must notify the change in living arrangements as well as any changes to your income and assets.

Don't forget to let your doctor, bank, Medicare, electoral roll and other relevant organisations know your new address details. Ask the care provider what you can bring with you, so you can make your room feel like home.

How to get help

Keep in touch with your adviser.

They can review your financial situation to ensure that opportunities continue to be maximised.

Things can change after the move, so an ongoing review is important.

Getting Advice

Making aged care decisions on your own is hard. There are so many moving parts with family preferences, taxation, age pension, estate planning and fee implications. Even if your situation seems simple, there are many aspects to consider in working out the best financial strategy.

We are here to help.

Aged care advice is a specialist advice area and not all advice is good advice.

This is why Andrew Mabarrack in our office has qualified as an Accredited Aged Care Professional™ and is a Financial Advice Association Australia (FAAA) Aged Care Specialist™ to ensure we have the skills and knowledge to give you right advice.

This will allow you to make the best choices for your future care, security and happiness.

How to get help

If you want to talk through your options or find out more information for your situation, call our office or reach out to Andrew to arrange an appointment.

Contact

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**FAAA Aged Care
SPECIALIST**

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