

Plan ahead for the future

Things need to be put in place for best outcomes

Brenda Willis

With a royal commission into aged care coming up, we're going to hear a lot about what can go wrong in our later, more vulnerable years.

While we cannot avoid many of the challenges of ageing, we can reduce the chances of our being a royal commission or Four Corners case study by some proper planning and discussions while things are going right.

We plan for our careers, weddings, having a family, buying homes and our retirement. But how many of us plan for getting old?

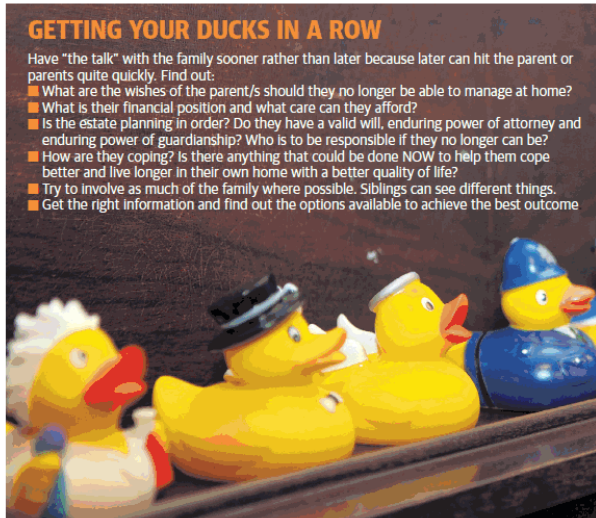
It is understandable that we do not relish the thought of declining mental and physical health or of having to increasingly rely upon others to get through our daily lives. To no longer have the freedom to do what we want when we want because we are simply unable to do so.

However, it is not our choice to get old. It is inevitable. So, no matter how much we object or ignore this fact, it will happen to us all if we are fortunate enough to live long enough.

GETTING YOUR DUCKS IN A ROW

Have "the talk" with the family sooner rather than later because later can hit the parent or parents quite quickly. Find out:

- What are the wishes of the parent/s should they no longer be able to manage at home?
- What is their financial position and what care can they afford?
- Is the estate planning in order? Do they have a valid will, enduring power of attorney and enduring power of guardianship? Who is to be responsible if they no longer can be?
- How are they coping? Is there anything that could be done NOW to help them cope better and live longer in their own home with a better quality of life?
- Try to involve as much of the family where possible. Siblings can see different things.
- Get the right information and find out the options available to achieve the best outcome



As a specialist aged care adviser, I see first-hand the issues that arise from not being prepared for old age. I see fear and confusion when an elderly parent is told they can no longer live in their home.

I see stress and conflict within families when this is thrown on them, to determine the fate of an elderly parent who

may no longer be able to understand or decide for themselves.

And I see so much sadness and guilt because people feel that they are condemned or are indeed condemning a parent to a fate worse than death.

The right care option is all about quality of life. With the right care option, a

person can go from poor health to better health.

A person can enjoy the benefits of good nutrition and ongoing medical care. An elderly person can feel greater security that they are cared for and have help readily available. They can go from social isolation to daily social interaction.

From inactivity to regular and sometimes new and different activities which can be challenging and invigorating. With the right care option, families can also be families again rather than having precious time wasted being carers, cleaners, gardeners and taxi drivers.

Wouldn't it be nicer spending family time chatting over coffee, going for walks together or reminiscing on old times?

The aged-care world is a changing and evolving place.

Indeed, with our ageing population there is increasing demand for more aged care and more aged-care options.

You can seek guidance from an aged-care adviser who can provide this information and assist in family discussions. An aged-care adviser can also assist to put a plan or strategy for aged care in place.

Most families are not aware of their options nor are they prepared for what needs to be done to successfully navigate through this stage of life.

With preparation and planning, a better outcome can be achieved. Without preparation or planning, an elderly person's fate may be left to luck and they may be forced to accept whatever is available to them when that time comes.

Brenda Willis is a financial adviser and aged care specialist at Boutique Advisers



Q&A with Nick Bruining

Q My husband and I are both retired and in a bank-based retail super fund with about \$200,000 each. We each pay around 2 per cent per annum in fees. In addition to this, we pay our adviser \$900 each per year. While the returns have been OK, we see that a number of industry funds have shown much better returns. We think that we will do much better by changing funds and would like your opinion?

A It is worth looking at the total costs first. It is very likely that in addition to the adviser fee of \$900 you are being charged, the adviser may also be collecting commission. Typically, commission-free super funds have a cost base of about 1.4 per cent or less. It is possible that the total benefit to the adviser could be 0.6 per cent or \$1200 on each fund plus the \$900.

You can confirm this by contacting your super fund directly. You then need to weigh up the services being provided and decide if that represents good value for money. For retirees you would be expecting at least annual face-to-face reviews and liaison with agencies like Centrelink. The move to another fund, simply based on previous returns and nothing else, is of concern.

As is always stated, past performance is no indicator of future returns and there are some serious questions now being asked about the underlying risks of some of the better performing industry funds.

All look good when markets are doing well, the problems are revealed in a downturn. Your first option might be to revisit the adviser and see what can be done about reducing the costs or perhaps rolling over to a more modern, cheaper alternative may be available. Many of the newer funds are as cheap and in some cases cheaper than industry schemes. Ensure that there are no negative Centrelink implications in the move. Centrelink or a competent adviser would be able to assist.

Got a question for Nick? Email yourmoney@thewest.com.au or write to us at Your Money, GPO Box D162, Perth WA, 6840

Nick Bruining is a WA financial adviser

Are you feeling overwhelmed by the financial costs of Aged Care?

Perth Aged Care Financial Advisers are ready to help guide you through the Aged Care financial maze.

Our accredited advisers can assist you with specialist advice on:

- Ways to cover your accommodation costs.
- Your entitlement to government pensions and other related benefits.
- How to minimise the costs and tax consequences of aged care.
- An evaluation of all your aged care options so you can make an informed decision.

Partnering with you to make informed decisions

Client Testimonial

'Getting Perth Aged Care Financial Advisers involved was the first and best decision we made. At first we were overwhelmed with all the numbers and didn't know where to start. They pointed us in the right direction, removed the financial stress and most importantly structured everything so fees were minimised and there was enough cash flow to pay for these fees'. — A. Faliti



1300 472 232

enquiries@pacfa.com.au

www.pacfa.com.au

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