

Our Services

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PLANNING FOR AGED CARE & 1 JULY 2025 RULES



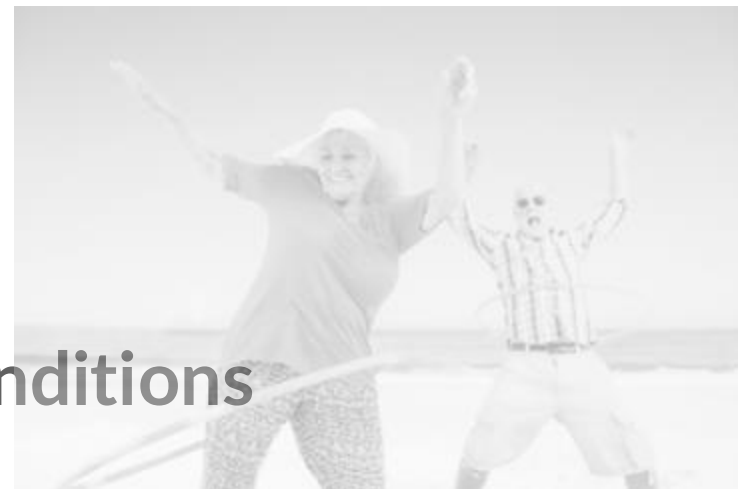
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1800 352 470 or 0412 546 237

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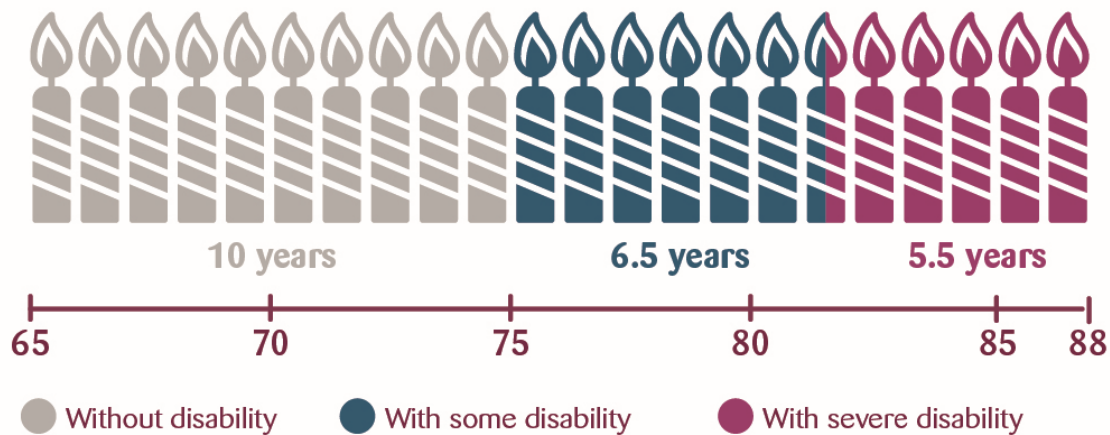
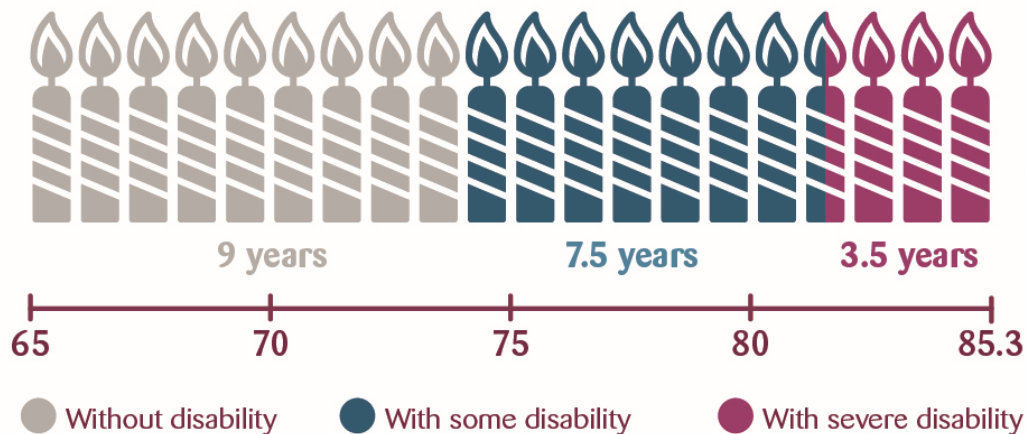
PLANNING AHEAD IS KEY



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THREE PHASES OF RETIREMENT



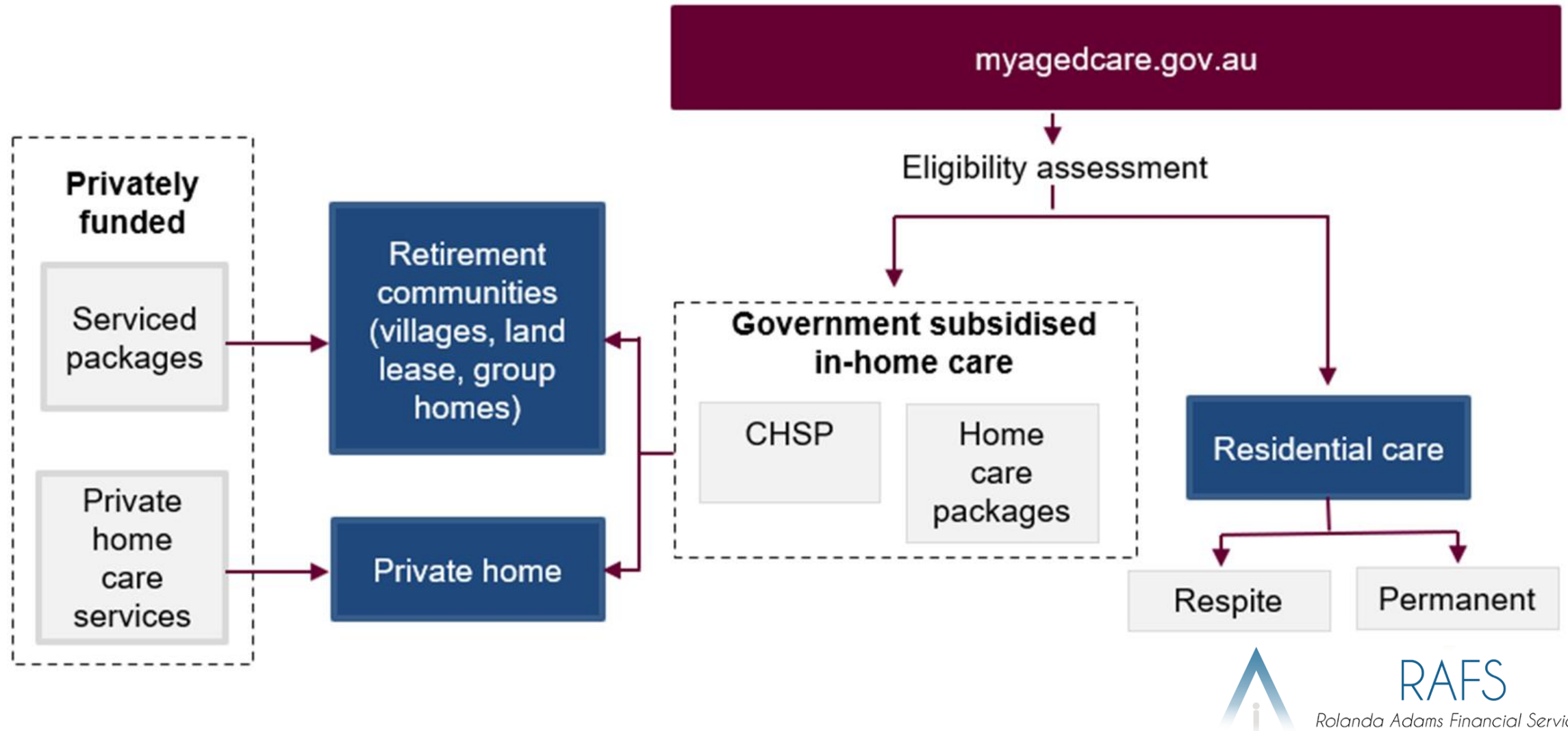
Data source: Australian Institute of Health and Welfare – Selected health expectancies at age 65, by sex, 2018



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A RANGE OF CARE OPTIONS



RETIREMENT VILLAGE OR RESIDENTIAL CARE?

Retirement village

- Personal expense
- Refund when leave depends on contract terms
- Money at risk if operator goes into liquidation
- Independent living (can access support at home or pay for service options)

Residential care

- Government funded
- May lose up to 10% of room price paid as lump sum RAD
- RADs are government guaranteed – no risk
- Fully supported living



SUPPORT AT HOME



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SUPPORT AT HOME

Aim is to make it easier for you to remain living as independently as possible for as long as possible. Also reduces pressure on your family.

- **Simple needs or package of services**
- **Support may include:**
 - Meals
 - Cleaning
 - Transport
 - Home maintenance/modifications
 - Daily tasks

Whether suitable depends on:

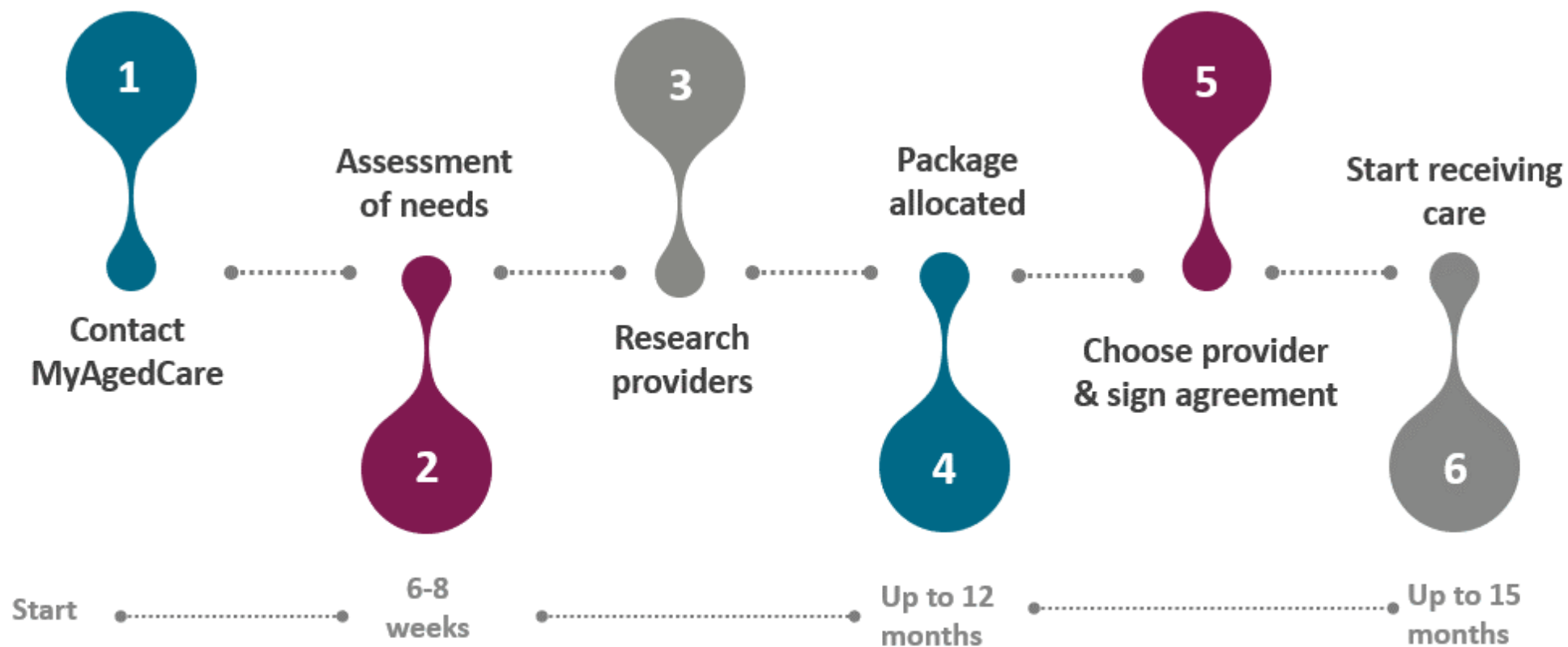
- Who you live with?
- Your health and care needs?
- What family can help with?
- Your capacity to pay for extra help?
- Where your home is located?
- Suitability of your home?



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DON'T WAIT FOR THE CRISIS



Plan ahead – don't wait until the need is urgent. Planning and financial capacity may help access care while waiting for government funding.

HOW MUCH YOU CONTRIBUTE

Package budget is amount available to spend (less 10% provider fee). You pay a contribution percentage & government pays the rest. Lifetime cap of \$130,000 on your contributions

	Clinical care	Independence support	Everyday living
Full-pensioner	Nil	5%	17.5%
Part-pensioner (or hold CSHC & disclose finances)	Nil	5% - 50%	17.5% - 80%
Self-funded	Nil	50%	80%
Grandfathered (at 12/9/24)	Nil	0% - 25%	0% - 25%

	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8
Annual Budget	\$11,000	\$16,000	\$22,000	\$30,000	\$40,000	\$48,000	\$58,000	\$78,000



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BRIAN & DELIA: A CASE STUDY

- Brian approved for Level 5 package
- Annual Budget \$40,000 less 10% fee – leaves \$36,000 to spend

Care package Brian agrees with care provider



Clinical care
\$10,000



Independence
support
\$6,000



Everyday living
\$20,000



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BRIAN & DELIA: A CASE STUDY

	Brian's contribution				
	Cost of services	If full pensioner		If self-funded	
Clinical care	\$10,000	0%	\$0	0%	\$0
Independence support	\$6,000	5%	\$300	50%	\$3,000
Everyday living	\$20,000	17.5%	\$3,500	80%	\$16,000
Provider fee	\$4,000				
Totals	\$40,000		\$3,800		\$19,000



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RESIDENTIAL CARE



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WHAT IS RESIDENTIAL CARE?



**Fully supported living
option**



**Provides
accommodation, support
with daily living activities
and personal care**



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IS RESIDENTIAL CARE EXPENSIVE?

**Cost of care is
up to \$177,000* pa per person**

but

you will only contribute \$23,294 to \$65,130*

and the Government pays the rest

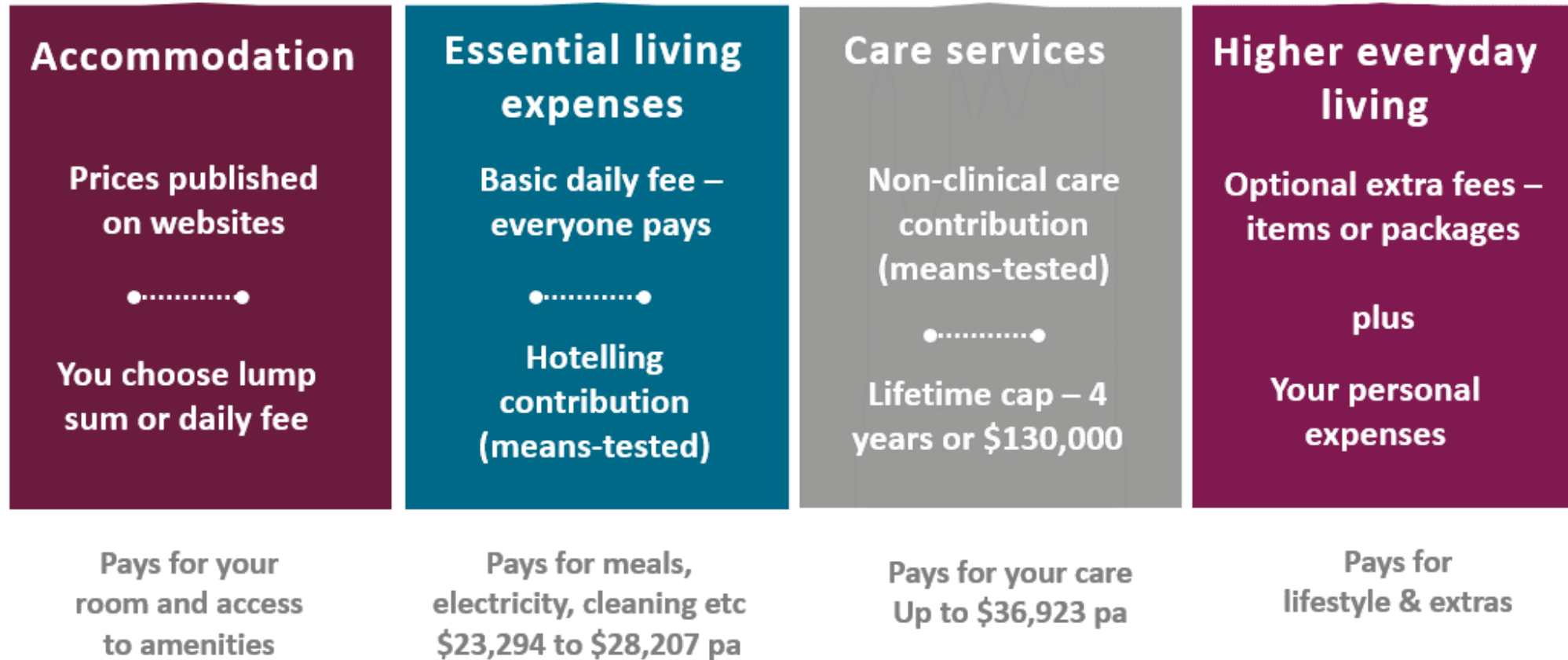
* Based on 1 July 2025 rules. Accommodation and lifestyle choices are extra cost



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RESIDENTIAL CARE - WHAT WILL YOU PAY?



* Fee structure from 1 July 2025, but rates may index.



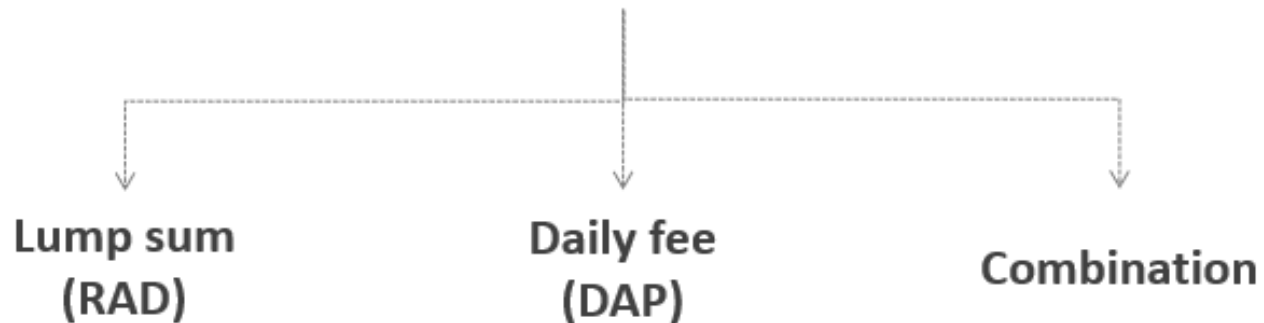
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PAYING FOR YOUR ROOM



Agree room price and start with daily fee. Can pay lump sum at any time.



- If you choose to pay a RAD, the provider deducts retention amount up to 2% pa (monthly basis).
- Retention applies 5 year from first RAD paid – maximum retention up to 10% of amount paid and balance is refunded.
- If you choose to pay **daily fee**, it is indexed every 6 months by CPI.



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UNDERSTANDING RADS



**If approved provider, check www.myaagedcare.gov.au*

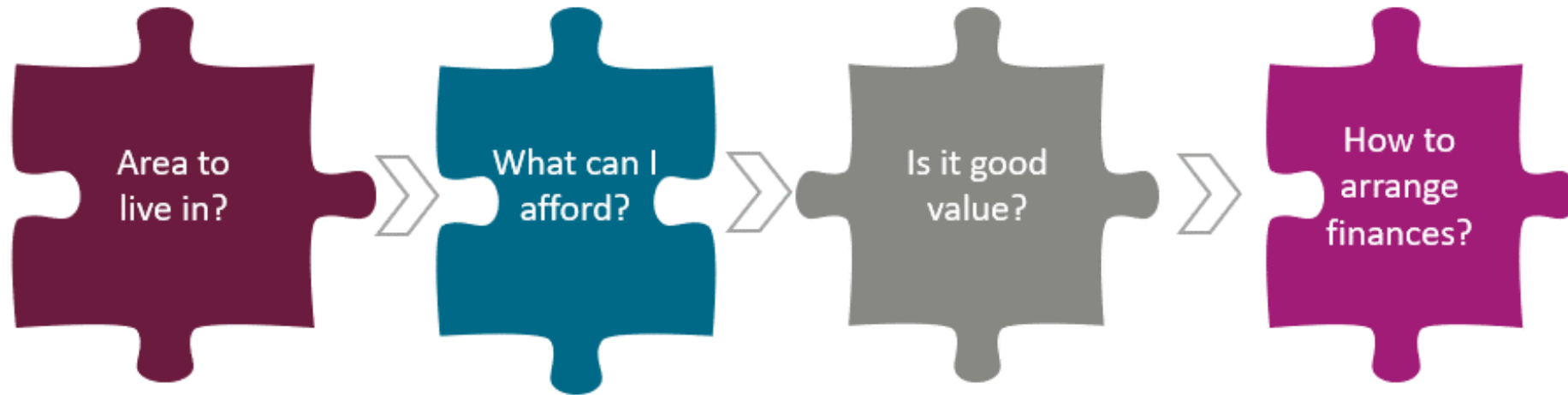


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CHOOSING WHICH RESIDENTIAL CARE SERVICE

How would you normally decide where to live?



Help to choose

- myagedcare.gov.au/service-finder
- Placement services



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MADGE: A CASE STUDY

- Madge (widow) is moving to residential care
- Agrees to an accommodation payment of \$500,000



\$850,000



\$50,000

= \$900,000



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DOES THE HOME COUNT?

To determine fees...

- Yes (at capped value - \$206,663) but exempt if spouse or “protected person” lives there
- Rent is assessable income



To calculate age pension...

- Exempt while spouse lives there, or otherwise up to 2 years
- At end of this time, full value is assessable asset
- Rent is assessable income



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MADGE: THE VALUE OF ADVICE



**Review full
financial
situation**



**Consider how to
pay for
accommodation**



**Generate cashflow
to cover expenses**



**Optimise
financial wealth
& estate planning**



- Release equity – sell home?
- Increase cashflow to pay DAP – rent home?
- Borrow against home?



- Annuity
- Investments
- Age pension
- Rental income



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MADGE: OPTIONS FOR THE HOME

	Sell home (\$850,000) & pay full RAD (\$500,000)	Rent home at \$25,500 net pa & pay full DAP
Investment income (2%)	\$5,808	\$556
Rent	Nil	\$25,500
Age pension	\$28,900	\$19,834
Total income	\$34,708	\$45,890
Less costs to pay:		
• Basic daily fee	\$23,294	\$23,294
• Hotelling contribution	\$4,913	\$4,913
• Non-clinical care contribution	\$28,804	\$226
• DAP for accommodation (8.17%)	Nil	\$41,156 (indexed 3%pa)
Total costs	\$57,011	\$69,589
Lifestyle expenses and tax	\$5,000	\$7,994
Cashflow result	(\$27,303)	(\$31,693)
Retention deduction (1 st year)	Up to \$10,000	Nil

MADGE: WHICH IS BETTER OPTION?

**Advice is
the key!**



- Need to look beyond one year and full range of options
- Impact on age pension (including 2-year change) and care contributions
- Estate planning impacts
- Emotional and family considerations
- Potential value and use of former home
- Ability to generate cashflow



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AVOID RUSHED DECISIONS

Plan for the future

- Involve your family
- Make known your priorities and preferences
- Identify who will be responsible (when you can't) for:
 - Financial decisions
 - Medical decisions
 - Living arrangement decisions
- Locate important documents
- Consider estate planning
- Get advice early to create an optimal financial outcome



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Aged Care Planning make the transition **EASY**

Understanding Aged Care **PROCESS**

What you need to do?

Navigating these changes can be complex and ensuring you have kept enough money to meet your care needs in the later years of life is vital to maximise your quality of life.

If you or a loved one require aged care, acting before 1 July 2025 may help you lock in current fee arrangements. But whenever you decide care is needed, it is important to get comprehensive financial advice to fully understand your options and how to restructure your assets and investments.

As a licensed financial adviser and **Accredited Aged Care Professional™** we have the experience and expertise to help. If you wish to discuss your situation, please call our office on 1800 352 470 to make an appointment with us.

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**Aged care rules are changing
from 1 July 2025**



**It will cost more – but still
heavily subsidised**



New fee Names



Lifetime cap rises to \$130,000



**Room Payments may have a
2 % annual retention**



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