

Client Alert – Special Topic

AGED CARE

We have identified the need to include Aged Care in our area of financial expertise to our clients.

The reasons for this are two-fold

1. The dramatic increase in the need for Aged Care and
2. The financial implication for the family.

The silent truth is that

- In 2015 there were 5,000 people over the age of 100. This is expected to increase to 40,000 in 2055.
- Aged care spending is projected to grow from 0.9% of GDP in 2015 to 1.8% in 2055.
- 70 to 80 per cent of people admitted to hospital or respite care move directly into an aged care facility.
- It is expected that there will be approximately 400,000 people with dementia by 2020 and about 900,000 by 2050.
- Dementia is the single greatest cause of disability in Australians over the age of 65 years.

A person's care journey starts in the family home with a decision about the level of care required. Governments are attempting to make it more attractive to be in the family home as long as practicable and there are certain (means tested) incentives to do so.

In this process, we at DFK see our involvement on two levels

1. **The identification of the range of in-home care services and aged care facilities that are available, in addition to the required level of care and cost.**

In this regard we have joined with DRC Care Solutions (which is owned and operated by Danielle Robertson) who has worked closely with our private wealth colleagues at WealthPartners Financial Solutions. Danielle has a complete guide to the range of in-home care and services available and how they can be immediately accessed prior to a Government assistance package becoming available.

Danielle is available for initial phone discussion free of charge, thereafter she has a range of services available to you upon which she can advise.

2. Establish or updating financial plans to accommodate in-home care services or aged care facilities.

This will involve

- i. Potentially increased living expenses (moderated by potential government subsidies) and determining how this will be paid for.
- ii. Determining how long funds will last and when you are required to make important decisions.
- iii. Decisions about asset reallocation (including the sale of the family home).
- iv. Preparing and amending your Will, Enduring Power of Attorney and Enduring Guardian.

Like any other significant event proper planning is vital and invariably gives the best outcome. Our private wealth colleagues at WealthPartners Financial Solutions can assist you to determine the financial impact and assist you with your planning.

Before deciding to make changes to your situation, some of the fundamental issues that need to be considered include:

- Understand the required care needs and what is available.
- Match the cost of the care to your financial resources.
- Do not make a decision on the sale of the family home until a proper plan is in place. Seek advice, retaining and renting the family home might be the best outcome.
- Understand your rights as a consumer, how you can access services as needed and when you are required to make important decisions – both financial and care decisions.
- Ensure that you have a valid Will and an enduring Power of Attorney. The difference is that an enduring Power of Attorney continues in the event you lose full legal capacity.
- Ensure that you also appoint an Enduring Guardian which authorizes a person of your choice to make personal lifestyle and treatment decisions for you. Your Power of Attorney can be your guardian but must be appointed in a separate document.

We are more than happy to meet with you (and your family) to discuss these issues as well as participating with any meetings with Danielle and/or WealthPartners Financial Solutions.

Everyone is touched by a family member needing care. We encourage all clients and their families to discuss this important life stage. This will ensure accessing care at home or moving to an aged care facility can be as seamless as possible.

Please call on (02) 9200 4500 at your convenience to obtain more details.