

AGED CARE PLANNING & ASSISTANCE

A number of clients have been seeking our advice and assistance as they are not sure where to start when it comes to Aged Care for themselves, or for relatives. Aged Care is becoming a more complex area with the assessments and the Centrelink rules that apply.

Early planning can take away a lot of the stress and uncertainty that can arise when considering aged care at home or a residential aged care facility.

Know what your options are

The first option that probably comes to mind is a residential aged care facility. These facilities provide accommodation and care depending on your personal needs. Care can range from personal care, such as help with showering and dressing, together with occasional nursing care to continuous nursing care for those with a greater degree of frailty.

What you may not realise, however, is that there are also Home Care Packages that provide access to services that can help you to stay at home for as long as possible. Support services may include cleaning, meal preparation and transport for shopping or appointments.

Start planning early

There are a number of reasons why you should plan ahead and well before the need for aged care is imminent. For example:

- in many cases, the need to move into residential care can be sudden due to a serious illness or injury (eg a stroke, heart attack, or fall), or another unexpected event
- it's not uncommon to find there are significant waitlists for residential care, particularly at the more popular facilities, and
- regardless of whether home or residential aged care is required, if you wait until the last minute to speak to a financial adviser, you may not be able to minimise the fees you may have to pay and/or maximise the social security benefits you may receive.

Five steps to consider before entering an aged care home

These are five steps that may help you make a smoother transition for Aged Care for yourself or a relative.

1. Get your eligibility assessed

Before you can enter an aged care facility and receive Government support, your health situation must be assessed by the Aged Care Assessment Team (ACAT).¹ The assessors are

generally health professionals such as doctors, nurses and social workers who specialise in aged care.

This is a free service that can be done at home or in a health centre or hospital. The purpose is to determine whether you are eligible to move into residential care, or can access a range of care services that would enable you to stay in your home longer.

More information about ACAT assessments can be found on the Australian Government's My Aged Care website: www.myagedcare.gov.au/eligibility-and-assessment/acad-assessments

2. Find a suitable facility

Ideally you should plan to visit a range of facilities in your chosen area as soon as possible and, you may prefer to do this with family members. Becoming familiar with the alternatives can enable you and your family to have meaningful conversations regarding your options and make more informed lifestyle and financial decisions.

Importantly, we can assist you to:

- determine whether care in your preferred facility is affordable, and
- potentially start restructuring your assets to improve your financial position.

Once ACAT has determined whether you are eligible for residential aged care and the care services you may need, it's a good idea to visit a few facilities. The My Aged Care website has a 'Find a Service' tool that enables you to locate and contact aged care homes in your preferred area.²

Each facility is different, so visiting a few will help you to decide which one is the most suitable for you. Not all aged care homes will be able to meet your care needs. Also, some provide higher standards of accommodation and broader food choices, which generally come at a higher cost. These are called 'extra services' facilities.

3. Work out the cost

A range of fees may be payable when accessing care services. One of the key payments when moving into residential care is the accommodation payment. This payment:

- is subject to certain limits
- can be paid as a lump sum, in regular instalments, or a combination of a lump sum and regular instalments, and is published on the facilities website and at myagedcare.gov.au for potential residents to consider.

The published amount will vary between facilities and, as a general rule, it will be higher for newer places because of the money recently outlaid on building or improving the accommodation. The Federal Government provides some funding for residential aged care facilities, those who can afford it are expected to contribute to the cost of their care. The four different fees you may be asked to pay include:

- an **accommodation payment** – for your accommodation in the aged care facility, which may be paid as either a lump sum, regular instalments or a combination of lump sum and instalments
- a **basic daily fee** - which will usually be payable by all residents and is a contribution towards daily living costs, such as nursing, personal care and meals combination of a lump sum and regular instalments, and
- a **means-tested care fee** - which is an additional contribution towards the cost of care that you may need to pay depending on the assessment of your income and assets, and
- an **extra services fee** - which may be payable if you choose a higher standard of accommodation or additional services and it varies from place to place.

4. Seek Advice

Moving into residential aged care can be a financially challenging time. However, obtaining financial advice can help reduce a lot of the stress by helping you to:

- determine which fees may be payable
- implement strategies that could reduce your care costs and/or increase social security entitlements, and
- ascertain whether care at your preferred facility(s) is affordable for you.

There are a range of strategies that can be used to reduce aged care fees. However, caution needs to be exercised to ensure you have enough money to afford the care you'd want. We can help you to address this complex issue.

Where to Next?

In our role as accountants, financial advisers and lawyers, we can also help you to ensure your estate planning affairs are addressed. Issues that may need to be considered include the:

- selling, renting, retaining or transferring ownership of your family home
- nominating a person to maintain and/or rent your home on your behalf

- reviewing your enduring power of attorney
- reviewing your Will (including the benefits of including provisions in your Will that establish a Testamentary Trust upon your death), and
- reviewing your superannuation death benefit nominations.

5. Apply for an aged care home

Once you've decided the type of care you want and can afford, and your estate planning affairs have been taken care of, it's time to apply with an aged care home. To do this, you will need to complete an application form with the relevant aged care home of your choice.

You may find that a place in your preferred aged care facility is not available. In case that happens, it may be a good idea to lodge an application with a few places and ask to go on the 'waitlist'. You can apply to as many places as you'd like and the facility will let you know if your application has been accepted.

If you are offered a place, you must be given a copy of the Accommodation Agreement before you move in. This agreement sets out the key terms and conditions and it should be reviewed by a legal professional. You must sign the agreement and decide how you will make the accommodation payment within 28 days of entering the facility.

The Department of Human Services (DHS) may also ask you to complete and lodge a 'Request for Combined Assets and Income Assessment'. DHS will then use the information to determine what, if any, means-tested care fees you may need to pay.

Next steps

To find out more information or to discuss any potential steps for you or those that you are caring for, please contact us and we will assist you.

¹ An Aged Care Assessment Team is referred to as an Aged Care Assessment Service (ACAS) in Victoria. In this article a reference to ACAT, includes a reference to the Victorian ACAS.

² <http://www.myagedcare.gov.au/service-finders>

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