



INFORMATION EVENING

7 October 5:30 - 7:30pm

Downsizing, Retirement Living and Future Care

smart
PRIVATE WEALTH



Hill Legal
Lawyers and Consultants

Allianz  **Retire+**

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YOUR PANEL FOR THE EVENING

Meet your presenters



Shannon Smit

Accountant,
Financial Adviser,
Mortgage Broker

Smart Business Solutions
Smart Private Wealth



Chris Hill

Senior Lawyer

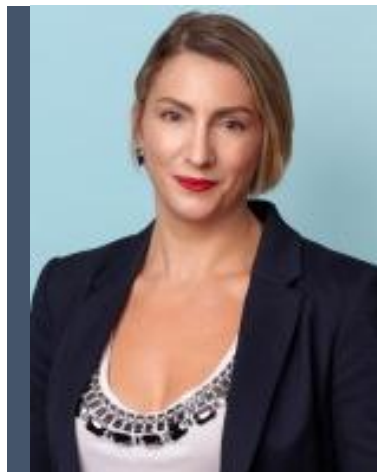
Hill Legal



Tricia Hill

Aged Care Consultant

Smart Private Wealth



Lauren Matthews

Business Development
Manager

Allianz Retire+



Bianca Carroll

Financial Adviser

Smart Business Solutions
Smart Private Wealth

Our specialist presenters will discuss a range of topics, including:

1

Retirement Living vs Aged Care

2

Understanding Aged Care Costs and Recent Changes

3

Retirement Village Contracts and What to Look For

4

Downsizing Considerations and Future Planning

5

Estate Planning and Protecting Family Wealth

6

Practical Strategies to Help Families Plan Ahead

SECTION ONE

Retirement Lifestyle, the Costs and Benefits

Presented by Tricia Hill, Aged Care Consultant



In this session

1

Retirement — lifestyle options

2

Villages

3

Residential aged care

4

Aged care strategies

Your accommodation choices

1

Stay home



2

Live with a carer



3

Downsize



4

Retirement Village



5

Residential Care



Things to consider

Your home is one of your major assets.

- What is your next home going to be?
- Have you considered lifestyle changes?
- Costs of your new home?
- How you will invest the remaining proceeds?
- What if you need to access care?



Care options

Home care can come to you.

At home

Retirement village

Aged care facilities

DISCUSSION

What are some issues that you may face?

Things to consider

1

What are the ongoing fees for the village each month?

2

What services do they offer for long term care?
Is there an aged care facility as part of the village?

3

What are the costs of leaving the village, or Deferred
Management Fees (DMF)?

4

Are there any restrictions to selling your unit?

Retirement village fees

1 Ingoing

Purchase price to live in the retirement village.

2 Ongoing

- General service fees
- User-pay fees such as communal meals, onsite hairdresser and outings
- Ordinary living costs, such as meals, utilities, health insurance and home contents insurance
- Home Care Packages (if required), which may be Commonwealth government subsidised

Retirement village fees — Outgoing

Deferred Management Fee (DMF)

Paid on exit, where the village operator recoups fees in exchange for a lower upfront entry cost.

Capital gain sharing

For some villages — the decreased or increased resale value of the unit upon departure.

Reinstatement or refurbishment fees

To help restore the property to an acceptable standard for the new resident.

Commission

Some retirement villages appoint their own agent to sell the unit, and a commission is charged on the sale price.

Issues when moving into aged care

1

Separation from spouse and family home

2

Downsizing a lifetime of belongings

3

Impact on lifestyle

4

Another major restructure of assets

Why aged care advice matters?

Entry can be unexpected

Potentially significant upfront costs and ongoing fees

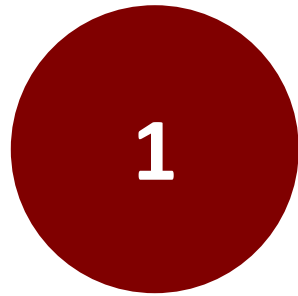
Need for financial or asset restructure to pay fees

Impact on Centrelink, tax and Will

Peace of mind.

Residential aged care

There are a number of stages to consider when moving into residential aged care.



ACAT assessment



Finding a home



Organising finances

Fees and charges

Category	What it covers	Amount
Accommodation	Refundable Accommodation Deposit (RAD) or Daily Accommodation Payment (DAP)	8.51% MPIR on DAP
Living costs	Basic daily fee Hotelling contribution	\$68.93 pd / \$25,159.45 pa Up to \$22.15 pd / \$8,084.75 pa
Care costs	Non- clinical care contribution (Four-year /\$140,652.80 cap)	\$109.45 pd / \$39,949.25 pa
Other services	Higher living fees	Optional

How we can help

1

Put things into perspective

2

Plan for funding

3

Ensure there is enough cash flow

4

Asset restructure considering estate planning

5

Maximise or retain Centrelink entitlements

6

Certainty and peace of mind

SECTION TWO

Legal Aspects of Retirement Villages, Aged Care and Estate Planning

Presented by Chris Hill, Hill Legal



In this session

1

Before you sign — village & aged care agreements

2

What happens on death

3

Put the right documents in place early

4

Worked example: Peter and Helen

Before signing a retirement village contract

What are you buying?

Freehold ownership

Lease

Licence agreement

Company title

What will you pay — on entry, while living there and when you leave?

On entry
(ie. entry contribution)

While living there

When you leave

How much will come back?

Amount returned

Deferred management fee

Refurb

Capital gains (±)

- Deferred management fees: how calculated and maximum amount?
- Capital gains?
- Renovation/refurbishment costs

Before signing a retirement village contract (cont.)

- Can your spouse stay if you die or move into aged care?
- Does occupation terminate on the last survivor or the first?
- How and when is the refundable ingoing contribution paid?
- Consider in terms of funding a RAD to an aged care facility.

 **Have the contract reviewed before signing!**

Before signing an aged care agreement

- Check the accommodation price, care fees and optional services.
- Check extra services.
- Fee increases.
- Leaving or transferring.

Check payment options. Compare:

Lump sum accommodation deposit

Daily payments

A combination

2% p.a.

UP TO FIVE YEARS

What is refundable? Note new rules: 2% per annum on the daily balance for up to five years.

Confirm who has authority to sign and whether a family member is accepting personal liability (eg. guarantee).

What happens on death

For Retirement Villages

- Check whether the surviving spouse can remain in the village.
- Check exit fees, ongoing charges and when the village refund is due.
- Allow for refund delays when planning funeral costs and the survivor's living expenses.

Note: usually requires a grant of probate

For Aged Care

- Check the final deposit balance, refund requirements and interest.
- Note the RAD is usually paid to the estate.
- Identify what passes to the estate (and whose estate) and what passes directly to someone else.
- Consider Will adjustments/loan agreement if one spouse funds the RAD and the amount is to pass to that spouse's beneficiaries.

Note: to collect the RAD usually requires a grant of probate

Note: Powers of attorney end on death. The executor or administrator takes over estate administration.

Will

- Who inherits, and who will act as executor and substitute?
- What is controlled by the Will and what are non estate assets?
- Gifts and loans to children during life: are they adjusted on death?

A Will does not control:

Assets in a trust

Assets in a super fund

Jointly held assets

Life insurance

Assets in a company

Enduring Power of Attorney

- Who manages financial and personal matters if needed, and when can they act?
- What are their powers?
- Joint and substitute Powers of Attorney.
- How are conflicts managed?

How do attorneys make decisions?

Jointly

Severally

Or both?

When does the power commence?

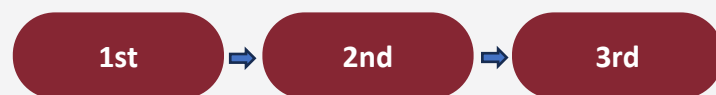
Immediately

Upon loss of capacity?

Medical decision maker & advance care directive

Medical Treatment Decision Maker

- Who makes medical treatment decisions if you cannot?
- These decisions may include life support.
- You cannot appoint persons jointly but only in succession.



Appointed in succession, not jointly.

Advance Care Directive

What treatment instructions and wishes should guide your care and end of life.

Resuscitation

Life support

Artificial feeding

Values directive: your priorities and preferences, which guide your medical treatment decision maker.

Instructional directive: specific, legally binding consent to or refusal of treatment.

Other considerations

Review joint ownership

Super nominations: does the form of nomination comply with the terms of the current Deed?

SMSF pension documents: reversionary or non reversionary?

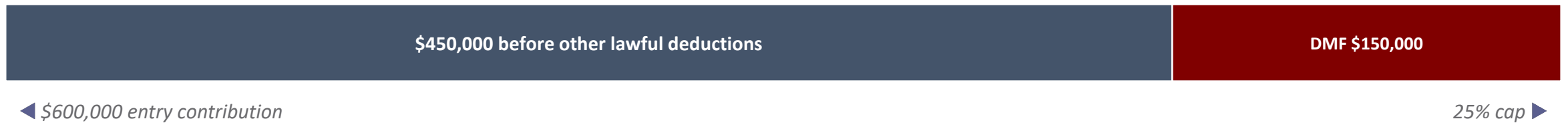
Control of trust assets on death

SMSF succession and trust or company control alongside the Will.

1. They sell their home and enter a retirement village

Peter, 78, and Helen, 75, are married. Each has children from an earlier marriage. They want to provide for each other while preserving an inheritance for their own children.

- They pay a \$600,000 entry contribution for a licence to occupy a unit.
- Their contract includes a deferred management fee capped at 25%. If the full cap applies, that fee alone would be \$150,000, before other lawful deductions.



Questions to ask

- Can Helen remain if Peter dies or moves into care?
- When does the village refund become payable?
- Do their wills still work now that the home has been sold?

2. Peter later loses capacity and needs aged care

Helen • Village

Helen remains in the village. Under their assumed contract, no village refund becomes payable while she stays.

Peter • Aged Care

Peter's aged care room has a \$400,000 RAD. Helen offers to fund it from her own savings.

Helen's savings



\$400,000 RAD

Questions to ask

- Who has authority to sign Peter's agreement?
- Would daily payments or a combination better preserve Helen's cash?
- Is Helen's payment a gift or a loan?
- Is anyone being asked to give a personal guarantee?

3. Peter becomes seriously ill

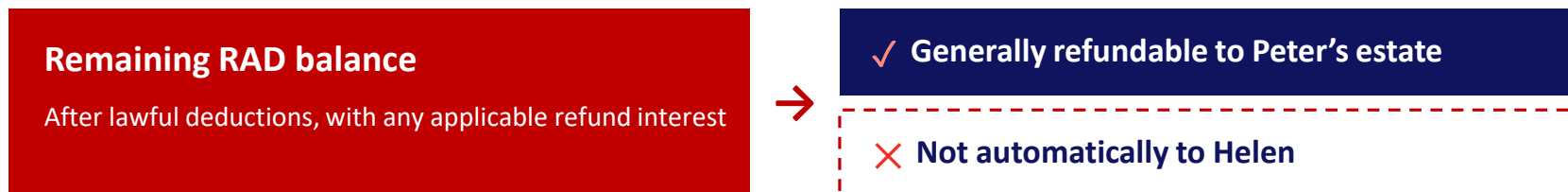
His family disagrees about further life support.

His appointed medical treatment decision maker must consider any applicable advance care directive and Peter's wishes.

Clear instructions and values recorded while he had capacity would help resolve the disagreement.

4. Peter dies

His attorney's authority ends and his executor takes over estate administration.



It does not automatically return to Helen simply because she supplied the money.

If Helen intended repayment, a properly documented loan would help establish her claim against Peter's estate. Without clear documentation, Helen and Peter's children may disagree.

The village contract must also be checked to confirm Helen's continuing occupation and the ownership of the eventual exit entitlement.

5. The estate plan must cover more than the Will

- Peter and Helen also need to check super nominations, any reversionary pension, and succession to their SMSF or family trust.
- They should record whether earlier payments to children were gifts or loans and whether they are to be adjusted on death.

TAKEAWAY

Check the contract

Appoint decision makers

Document family funding

Update the estate plan

Before the move, check the contract, appoint decision makers, document family funding and update the estate plan. The arrangements need to work both when one spouse needs care and when one spouse dies.

SECTION THREE

Retirement One Journey. Two Chapters.

Presented by Lauren Matthews, Allianz Retire+



One retirement. Two chapters.

CHAPTER ONE

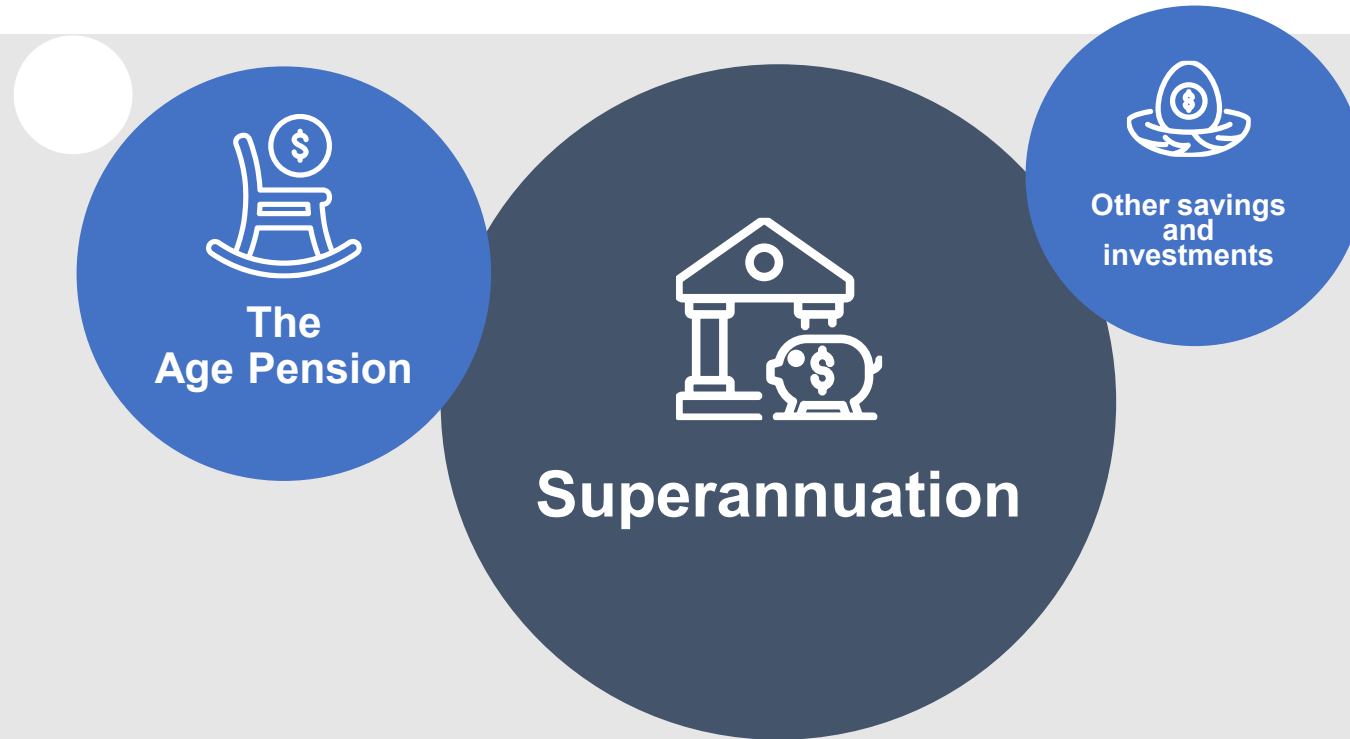
What you can see ahead

Travel

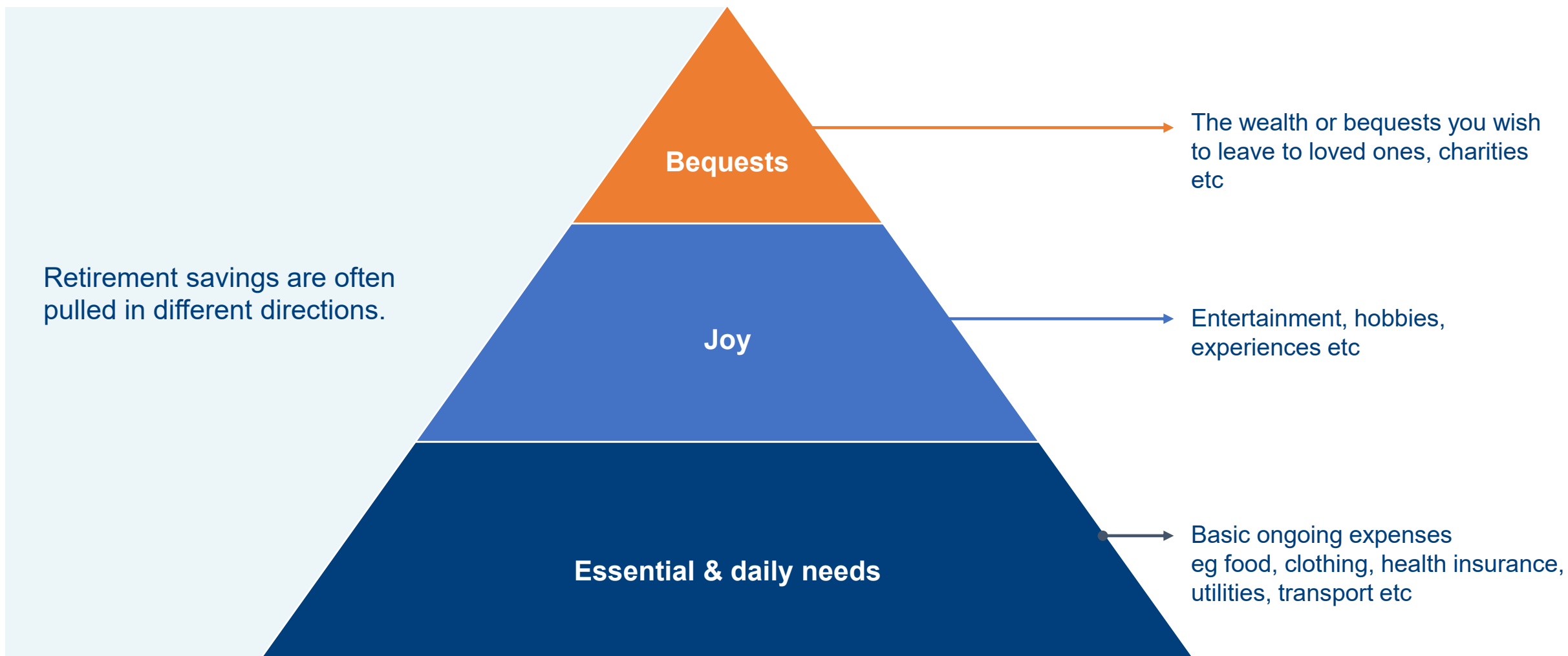
Family



Your main sources of income in retirement



One pool of money. Multiple jobs.



Know your risks in retirement

In retirement, risks abound which can have a huge impact on a person's financial confidence.

Longevity risk



The risk of outliving
your savings –
running out of money

Investment risk



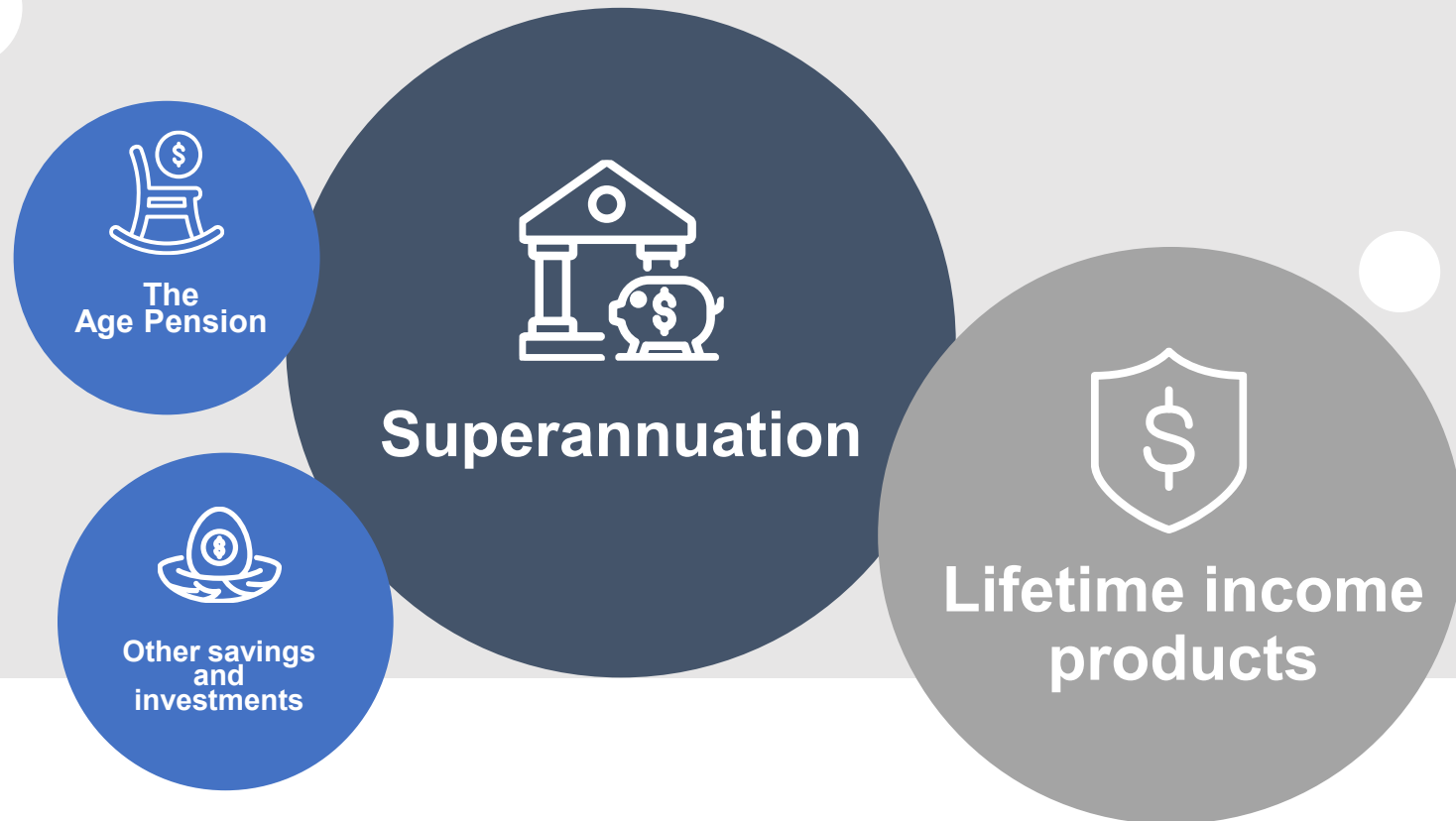
The chance that the return
on your investments may not be
enough to provide you
with the income you'll need

Inflation risk



Inflation chips away at the
value of savings and erodes the
purchasing power of each dollar

Your main sources of income in retirement



How lifetime income products meet your income needs

Lifetime income products work alongside your other income sources to optimise income and financial confidence.

Income certainty

A regular income for life

Investment growth

Stay invested, with the opportunity for continued growth

Downside protection

Protection built in to the investment options

Access to money

Ability to access your money for unplanned expenses

Estate planning

Pays a death benefit to your loved ones

Age Pension

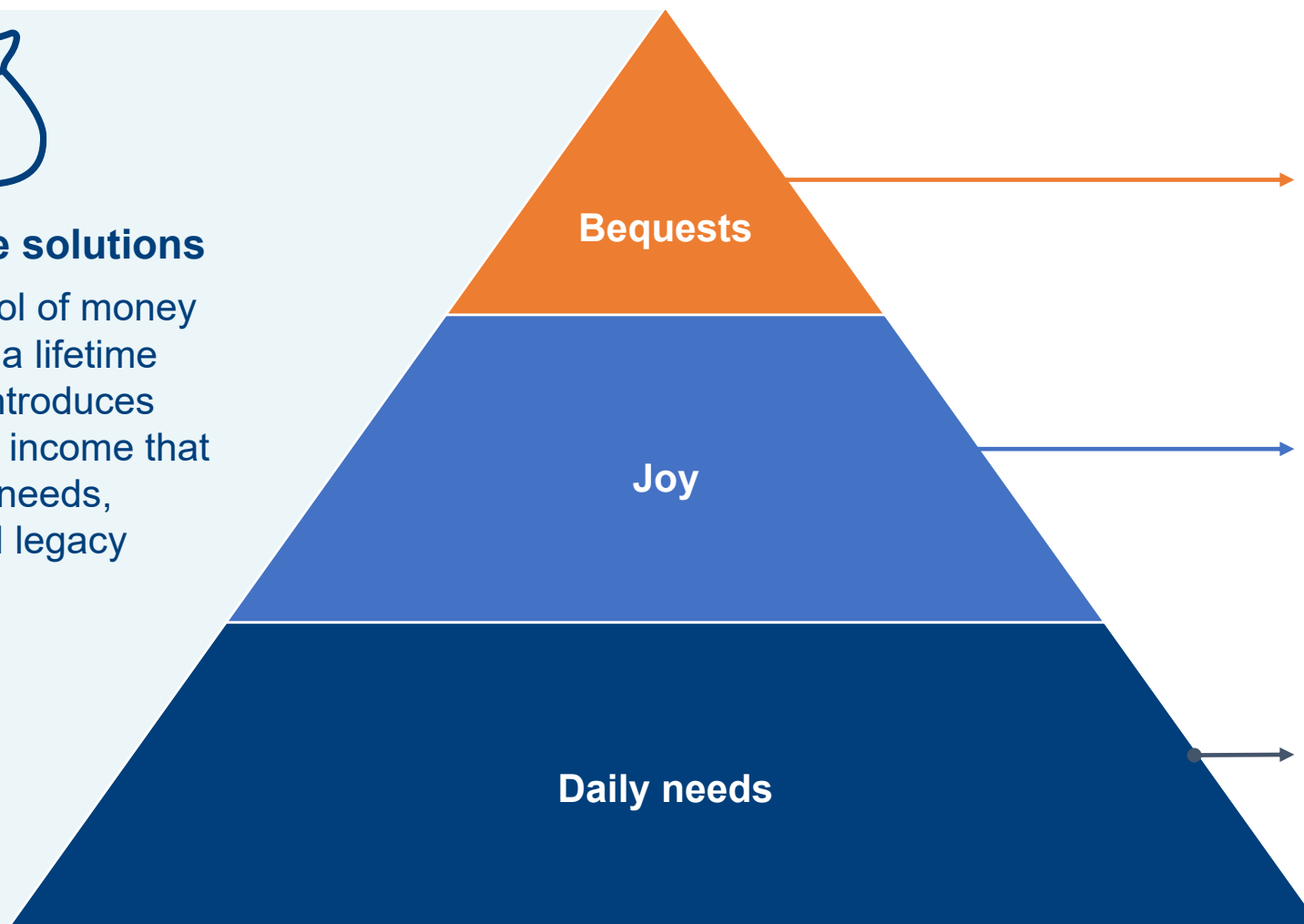
Can help you become eligible for, or receive a higher level of, the Age Pension

One solution. Multiple benefits.



Lifetime income solutions

Instead of one pool of money doing everything, a lifetime income solution introduces another source of income that can support your needs, lifestyle goals and legacy objectives



- Leave money to your estate

- Can use as a 'joy bucket' for retirement
- Used to fund travel and other experiences

- Can use as an 'income bucket' to cover day-to-day living costs
- Never runs out or decreases

Financial advice pays off

A successful retirement means planning for both chapters, not just the first.

Your financial adviser can help bring together your income, investments, lifestyle goals and future needs into one retirement plan.

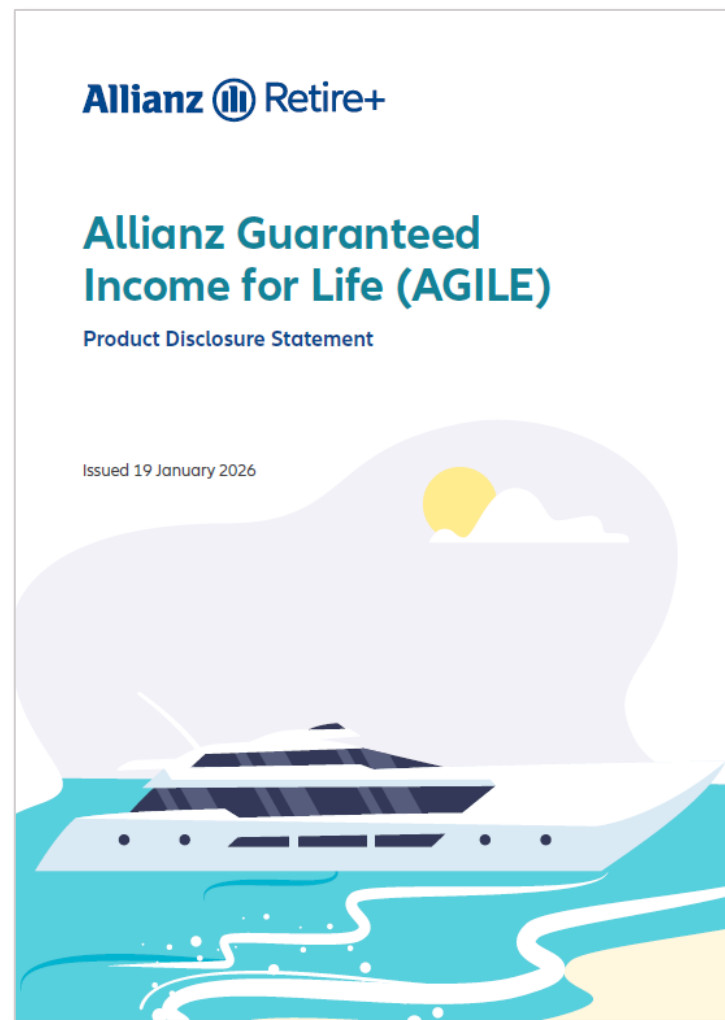
**Your retirement
strategy should be as
dynamic as your life**

**Review your situation
so that you can make
any necessary
adjustments**



About Allianz Retire+

- We are **a market leader** in retirement income solutions
- We draw upon the **global strength** of the Allianz Group
- Allianz Guaranteed Income for Life (AGILE) – **an award-winning, innovative** retirement income solution



SECTION FOUR

Financial Advice: Planning for You and the Next Generation

Presented by Bianca Carroll, Financial Adviser



Every decision tonight is also a financial decision

Where you live, how care is paid for and what you leave behind are connected — and they react to each other.

Where you live

Stay, downsize, village or care

How care is paid for

Accommodation payments, fees and means testing

Legal foundations

Contracts, Will and Powers of Attorney

**Your wealth and
your family's future**

Income and the Age Pension

Spending, Centrelink and a long retirement

Super, tax and investments

Where money is held changes the outcome

Family and legacy

Helping now and leaving wealth behind

Why advice at this life stage is critical

1

The decisions are large

Your home, super and savings are often committed in a small number of decisions.

2

Many are hard to reverse

Selling a home, paying an accommodation deposit or gifting assets cannot easily be undone.

3

The rules interact

Age Pension, aged care means testing, tax, super and estate rules all react to the same decision.

4

Choice narrows with time

Planning while health is good gives you options. A crisis removes many of them.

Good advice looks at the whole picture — not one product or one decision.

Planned or forced? The cost of waiting

Planning early

- You choose where you live and when
- The sale of the home is timed on your terms
- Assets can be structured before decisions are needed
- Decision makers are appointed and the Will is up to date
- The family has been part of the conversation

After a crisis

- Limited choice of home, location and timing
- Sale and funding decisions made under pressure
- Family disagreement about who pays and who decides
- Fewer opportunities to structure assets effectively

Mum's fine today. The best time to plan is now.

Downsizing: where could the money go?

Option	How it can help	Things to consider
Downsizer contribution to super	Up to \$300,000 each (age 55+, home owned 10+ years, contributed within 90 days of settlement)	Super is counted in Age Pension and aged care means tests once you reach Age Pension age
Invest outside super	Flexibility and access; can be set up for income and tax effectiveness	Investment risk; assessed under Age Pension and aged care means tests
Hold a cash buffer	Certainty for early care costs and lifestyle	Low return; deeming applies to financial assets
Set aside for future care	Ready to fund an accommodation payment if needed	Timing and amount are uncertain; scenarios help
Help family now	Support children or grandchildren while you can see the benefit	Gifting limits apply: \$10,000 a year up to \$30,000 over five years

Funding aged care: the accommodation decision

Lump sum (RAD)

A refundable deposit, less agreed deductions. Uses capital upfront.

Daily payments (DAP)

Keeps capital invested. Payments are ongoing and not refundable.

A combination

Part lump sum, part daily. A way to balance cash flow and capital.

Questions to work through

- Which assets fund it: home sale proceeds, savings, super or investments?
- How does the choice change income, Age Pension and means tested fees?
- Who is paying: the resident, or family helping (a gift or a loan)?
- What remains for ongoing fees, other care and the estate?

Making your wealth work for you today

Know your entitlements

The Age Pension and concession cards are means tested. How assets are held can change the outcome.

Use tax-effective structures

Super, investments and the timing of sales can influence the tax paid on income and gains.

Spend with confidence

Cash-flow modelling shows whether the lifestyle you want is sustainable.

Plan for a long retirement

Retirement can last 20 to 30 years.

The aim is to enjoy your wealth, not just preserve it.

Helping family now: know the rules first

\$10,000

maximum gifts in one financial year

\$30,000

maximum gifts over five financial years

5 years

excess is counted as a deprived asset

- Gifts above the limits can reduce the Age Pension and increase aged care fees
- Selling below market value or forgiving a loan can also count as a gift
- Record whether a payment is a gift or a loan, as in Peter and Helen's example
- Think carefully before giving a guarantee: help should not put your own security at risk

Leaving a legacy for children and grandchildren

1

Super is not always tax-free

Independent adult children can pay up to 17% tax, including Medicare, on the taxable component of super left to them.

2

Keep everything aligned

Super nominations, your Will and any trusts need to work together.

3

Decide when to pass wealth on

Helping now or leaving an inheritance later each has different tax, Centrelink and family consequences.

4

Provide for grandchildren

Education funds or investment bonds can set money aside. Tax outcomes depend on the structure.

Clear planning helps families avoid disputes and unexpected tax.

Cash-flow modelling: comparing possible futures

Modelling compares the same questions across different scenarios.

A

Stay at home and use care
at home

B

Downsize and invest the
surplus

C

Move to a retirement
village

D

Plan to fund an aged care
place

WHAT WE COMPARE

Cash flow

Age Pension and fees

Care costs

What is left for family

A model is a decision-making tool, not a guarantee.

CONCLUSION

Four sessions. One plan for your family.



Mum’s fine today. The best time to plan is now — speak with our team tonight about your next step.