

Ageing parents

Make the most of what life
serves up to you...



Ageing gracefully

The reality of modern life is that we are tending to live longer, fuller lives.

If you have elderly relatives, you may be faced with deciding the best ways to support them as they age. While the preference of many will be to grow old gracefully at home and be financially independent, the reality is this may not happen.

Everyone's circumstances will differ. It may be the case that one family member is capable of staying in their home while another requires more support. Or it may be possible for an older relative to come and live with you or another family member.

This life transition can become even more complex if people require high level aged care — formerly known as nursing home care — after a sudden illness.

When families have not anticipated the need for extra care, it leaves them little time to explore vital issues such as in-home or aged care options, and how to fund the care required. Having a clear picture of what is involved, and of the potential effects on all parties, is an important part of understanding the impact on you and your family, both financially and emotionally.

Talking together

The best way forward is to initiate conversations with your elderly parents or relatives while they are still able to make sound decisions about their future care.

However, it is not always possible to have these conversations or plan effective arrangements as aged care, personal finances, and death remain difficult topics for many people.

Whether you can fully involve your elderly relatives or need to take the initiative yourself, speaking with a financial adviser gives you a way to plan effective aged care options. It can also be a good way to keep family discussions on a professional level when emotions may be running high. With issues to consider like superannuation arrangements, assets and debts, Centrelink pensions and aged care entitlements, you can build a clearer picture of the available choices by working with an adviser.

If residential care is required, financial decisions such as how a resident pays an accommodation bond or other charges can have a significant impact on pensions, aged care fees and tax, so these should be considered in the plan.

You may also consider power of attorney options and even funeral arrangements as part of the same discussions.

Your financial adviser will work with other professionals such as accountants, lawyers and real estate agents as required, enabling you to plan the best possible outcomes from this important transition.

Financial advisers can offer long-term guidance or targeted advice when you need help to manage specific events in your life.

An adviser works through the details with you to create a plan, including your:

- goals and aspirations
- income and spending
- superannuation and tax
- investments and major assets.

A time for change

Liz, a high school teacher and daughter of healthy 84 year old parents, had not worried much about aged care until the last few years.

After discussing her concerns with a friend, Liz persuaded her parents to go with her to see a financial adviser and plan for their "next steps," whatever they might be. That turned out well, and they settled on a two-stage plan.

Twelve months later her parents, Alex and Gloria, had taken the first step and relocated to a retirement village after 45 years on their seven acre property.

Their adviser told them that the money from their property sale might mean a drop in the part pension they received from Centrelink so they were well prepared for that. The benefit was they could implement stage two in their plan, using the funds from the sale to re-arrange their investments and build a more secure base for their future income.

"When dad first retired they were doing OK. Interest rates were higher 25 years ago and they were comfortable. But as interest rates dropped it had become more of a challenge for them," says Liz.

Her parents are settled now and still quite independent, with Liz and her siblings providing more help these days, with the small garden, shopping, transport to appointments, and paperwork.

She says the next turning point will come if one of them becomes ill or is injured. Together with their financial adviser they've discussed fees or charges which might be required by an aged care facility, and worked out a plan to fund their future costs.



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