

Financial checklist for residential aged care

Preparatory Information

Here is a list of the information you will likely be asked to provide for a discussion on financing your residential aged care.

| Information | Notes |
|--|-------|
| What is your annual income? Any type of pension, superannuation payments, net income from properties/businesses/farms, trust distributions, private company dividends. Exclude income from financial assets. | |
| Is your family home one of your assets? What is your home's market value; any mortgages over the home? Or if in a retirement village unit, what is the unit exit amount? | |
| Liquid financial assets? Cash, financial institution accounts, term deposits, bonds, managed investments, shares and securities in public companies, loans and debentures, bullion, and any gifted amounts above \$10,000 in the last year or above \$30,000 in the last five years. | |
| Other assets? Superannuation balances, investment properties, trusts, private companies, foreign assets, special collections such as art works or antiques, household contents and personal effects (typically valued at \$10,000), and refundable deposits paid for accommodation in an aged care home. | |
| Debts? Any loan, encumbrance, charge, or debt where it is held over a financial or other asset you have listed above. Exclude any credit card debt, personal loan debt, and any mortgage over your home. Also exclude debt for loans taken out for the benefit of others, apart from your partner. | |
| When you enter residential aged care, will your partner or another 'protected person' continue to live in the family home? | |
| Are there income-tested care fees previously paid in Home Care that should be taken into account? | |

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Questions to Answer

Here is a set of questions that you should answer, prior to entering into an aged care facility. You may wish to research the answers yourself or you may wish to engage an aged care financial adviser to assist you in answering them.

| Questions | Notes |
|---|-------|
| How much are the daily and annual fees you may need to pay? (See the Cost Estimator at agedcarequickstart.com.au) | |
| Will you need to pay all of your Accommodation Fee? If so, for the aged care facility you are seeking to enter, what is your expected Accommodation Fee? | |
| Are you seeking Higher Everyday Living services? If so, what will they cost? | |
| What are the considerations in regards to paying your accommodation payment as a lump sum, versus paying on an as-you-go basis, versus a combination of the two approaches? | |
| How should you structure your assets and income to fund your aged care? If you own your house, should you sell it? Or lease it? Or take a reverse mortgage on it? | |
| How would each of these alternatives affect your means assessment and your various aged care fees? If you are receiving a pension, how would each of these actions affect your pension? | |
| If you take out a reverse mortgage, should it be as a lump sum or as a monthly payment? | |
| If one party is going into aged care and their partner or another protected person will continue to live in the family home, how will the aged care part be funded? | |
| Are family members in a position to assist with some of the costs? | |
| How should your cash flow be managed before and after various fee caps apply? | |

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| Questions | Notes |
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| Should you consider not doing an Assets and Income Assessment? | |
| What impacts would the various funding options above have from an estate planning perspective? | |