

The importance of planning for aged care

Did you know...?

- At age 65, a person's chance of needing aged care during their lifetime is 68% for women and 48% for men
- Accommodation payments in regional areas and capital cities are not uncommon at \$350,000-\$550,000
- Planning before you need aged care can improve your financial situation and give you more choices and control

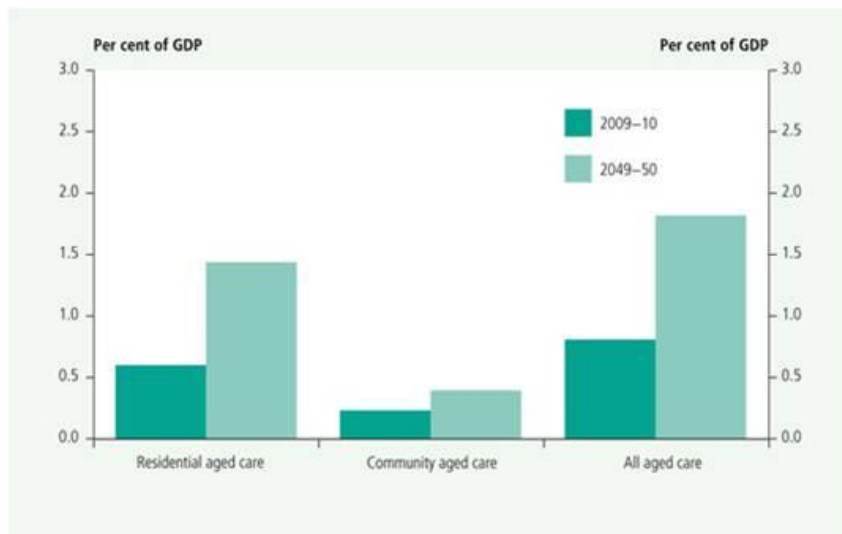
All too often we procrastinate over financial decisions and panic when the event occurs. Unfortunately, this procrastination can limit our financial planning opportunities.

This is an all too common scenario for aged care. A move into aged care usually happens in a hurry and with emotional turmoil but planning ahead can help to improve your situation and help to avoid family conflict.

You might be thinking about your own future needs, or you may be faced with making decisions for a parent or other elderly relative. Advice is a key element of these decisions. Aged care is a growing issue for many Australians and financial advice is important.

The costs for aged care are increasing and with an ageing population we all need to think more carefully about how we will be affected and how to access the help we need. Currently, more than two million people in Australia are aged 70 and over and approximately 45% of these will use aged care services. The cost for Government is estimated to double by 2049/50 as a percentage of our economy (as measured by our Gross Domestic Product - GDP). This will be more money than the Government's budget for defence or education. The increasing cost of aged care is shown in the graph below:

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Source: Intergenerational Report, 2010

How you plan for aged care and the decisions made can have a significant impact on your lifestyle and comfort, your entitlement to the age pension and the fees paid to access aged care services.

Planning for aged care should commence early and continue throughout your retirement. The fees to enter a residential aged care service tend to be significant amounts that require careful planning ahead of time.

Thinking ahead can give you (or older relatives) lifestyle choices including:

- The chance to live in your own home to maintain your independence
- Strategies to reduce ongoing fees
- Options for funding the entry costs
- Strategies to invest other assets, and
- An understanding of the impact of decisions on age pension entitlements.

If planning your retirement or helping a family member deal with the challenges as they age, we can help you to navigate through the fees for aged care and the strategies to meet your family and estate planning circumstances.

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