



financial care aged care guide

Aged care is one of the most difficult issues confronting today's families, but it's something we all need to prepare for – be it for family, older friends, or ourselves.

The financial considerations for aged care services and facilities will be different for everyone. Whether you want to help your parent with the transition, or would like to factor such costs into your own financial plan, an ipac financial care adviser can develop a strategy to suit your needs.

To help you get started we've broken down the process into five steps that you need to go through.



your aged care action planner

step 1: assess your options

To access most government-funded community care services and aged care homes, your parent or relative will need to be assessed by Aged Care Assessment Team (ACAT). As part of the assessment, an ACAT professional – usually a doctor, nurse, social worker or other health care professional – will come and talk to your parent or relative about how well they're coping in day to day life and their general health.

After assessing their needs, ACAT will provide more information on the services available in your area.

<input checked="" type="checkbox"/> what do I need to do?	who can help me?
<input type="checkbox"/> Resident and key family members (if applicable) discuss options for aged care.	Hold the discussions yourself or your ipac financial care adviser can help facilitate.
<input type="checkbox"/> Arrange for the Aged Care Assessment Team (ACAT) to conduct an assessment on the residential care needs.	Visit www.health.gov.au or www.agedcareaustralia.gov.au
<input type="checkbox"/> Complete the '5 steps to entry into residential aged care' booklet. This outlines everything you need to know.	Provided by ACAT
<input type="checkbox"/> You may also be required to complete the 'Permanent residential aged care – request for assessment form'.	Provided by ACAT

step 2: research facilities

To make the transition easier, start researching available options in advance and ensure you involve your loved one in choosing the right mix and level of support services. There is a variety of options: everything from a little help around the house to maintain independence at home, to high-level care in a purpose-built facility.

<input checked="" type="checkbox"/> what do I need to do?	who can help me?						
<input type="checkbox"/> Research facilities that match the ACAT assessment within the local area.	Do this yourself or utilise aged care resources. Example: www.agedcareguide.com.au provides a comprehensive list of facilities around Australia. It also lists placement services who can do this for you.						
<input type="checkbox"/> Conduct site visits and make notes on each.	Arrange this with your selected facility. The Department of Health and Ageing produce a great checklist that you should run through when visiting each facility. You can find a copy of this on our website: www.ipacagedcare.com.au						
<input type="checkbox"/> Create a short list (at least 3) of preferred facilities. <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">1.</td> <td style="width: 50%; border-bottom: 1px solid black;">phone:</td> </tr> <tr> <td style="border-bottom: 1px solid black;">2.</td> <td style="border-bottom: 1px solid black;">phone:</td> </tr> <tr> <td style="border-bottom: 1px solid black;">3.</td> <td style="border-bottom: 1px solid black;">phone:</td> </tr> </table>	1.	phone:	2.	phone:	3.	phone:	
1.	phone:						
2.	phone:						
3.	phone:						

step 3: work out the financials

The Government may contribute to the cost of their accommodation and care. The amount that they will need to pay will depend on their assets and income.

<input checked="" type="checkbox"/> what do I need to do?	who can help me?																					
<input type="checkbox"/> Understand all the costs involved. <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Bond (if applicable)</td> <td style="width: 5%;">\$</td> <td style="width: 35%; border-bottom: 1px solid black;"></td> </tr> <tr> <td>Retention amount</td> <td>\$</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Daily care fee</td> <td>\$</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Income tested fee</td> <td>\$</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Accommodation fee</td> <td>\$</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>High Care Extra Services fee</td> <td>\$</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td>Resident cash flow needs p/a</td> <td>\$</td> <td style="border-bottom: 1px solid black;"></td> </tr> </table>	Bond (if applicable)	\$		Retention amount	\$		Daily care fee	\$		Income tested fee	\$		Accommodation fee	\$		High Care Extra Services fee	\$		Resident cash flow needs p/a	\$		Ask your chosen facility to outline the costs involved and discuss the different arrangements with your ipac financial care adviser. The bond you pay, and daily care fees may, for example, affect Centrelink entitlements.
Bond (if applicable)	\$																					
Retention amount	\$																					
Daily care fee	\$																					
Income tested fee	\$																					
Accommodation fee	\$																					
High Care Extra Services fee	\$																					
Resident cash flow needs p/a	\$																					
<input type="checkbox"/> Work out how to fund all the costs involved. <ul style="list-style-type: none"> ~ To sell or not to sell the family home? ~ Making sure the money lasts – setting up appropriate investments to ensure cash flow needs are met. ~ Ensuring the maximum government entitlements are paid. ~ Arranging the finances so that estate plans are not affected. 	You can work out all of this yourself but beware of the traps and pitfalls each arrangement carries. Your ipac financial care adviser can help you avoid them.																					

what the terms mean

accommodation bond

A lump sum paid by all people entering a hostel or an extra service nursing home. It is effectively an interest free loan to the facility to fund construction, renovations and other services provided to residents. The bond is Commonwealth Government guaranteed and is returned, less the retention amount, within 14 days of the resident leaving the facility or grant of probate. Bonds vary from facility to facility.

Aged Care Assessment Team (ACAT)

ACAT determines a person's eligibility for entry into Government subsidised residential care. This may be 'high care' or 'low care', commonly known as nursing homes or hostels, respectively. A person may also be eligible for short term 'respite care'. Eligibility for other community based services which allow a person to stay in their own home longer may also be recommended.

daily care fee

A fee paid by all residents in low care and high care. There are three basic daily care fees – standard, phased and non standard. This fee is set by the Government and is adjusted twice a year in line with movements in the single rate of Age Pension.

income tested fee

When a resident becomes permanent in either low care or high care, an additional fee may be payable based on the resident's Centrelink assessable income. Residents receiving the full Age Pension do not pay this fee.

step 4: lodge applications

The demand for aged care places is high in many areas and you may be placed on a waiting list. It is advisable to apply for at least three residences to ensure a place and to try and not get too attached to any particular facility (especially if your need is urgent).

<input checked="" type="checkbox"/> what do I need to do?	who can help me?
<input type="checkbox"/> Facilities – apply to at least 3 facilities	By yourself or ask for assistance from your ipac financial care adviser.
<input type="checkbox"/> Centrelink – If the resident doesn't have an income assessed pension they may need to complete the Residential Aged Care Fee Income Assessment Form. Note: This must be completed within 28 days for self funded retirees.	13 23 00 By yourself or ask for assistance from your ipac financial care adviser.

step 5: manage ongoing financial issues and obligations

Unfortunately, the paperwork and financial obligations don't end when a person goes into care. There are annual tax assessments and income tested fee paperwork to go through that determines the amount you need to pay.

<input checked="" type="checkbox"/> what do I need to do?	who can help me?
<input type="checkbox"/> Update Centrelink or Department of Veteran Affairs – provide detailed information on changes to living arrangements, current assets and income circumstances.	By yourself or ask for assistance from your ipac financial care adviser.
<input type="checkbox"/> Income Tested Fee – check this and pension entitlements after the update.	By yourself or ask for assistance from your ipac financial care adviser.

useful reference numbers

Dementia Help Line	1800 100 500
Aged Care Information Line	1800 500 853
Department of Veteran's Affairs	1800 555 255 (regional callers) 13 32 54 (national callers)
Commonwealth Care Respite & Carelink Centres	1800 052 222
Centrelink	13 23 00
Alzheimers Australia	02 6254 4233

about ipac financial care

our service is much more than just advice – it's also about support

Our advisers are compassionate people who are experienced in supporting families to work through the aged care decisions they need to make.

More often than not, our advisers act as facilitators between family members at odds with the difficult choices they are making. They help diffuse highly charged emotional experiences – and know the right things to say. They are experts in aged care advice and this helps instil confidence that the strategies they are recommending are the right ones for you.

ipac financial care is the aged care specialist service within ipac, which was founded in 1983 by a group of young professionals with a passion for providing quality financial information and advice. Among them were leading financial commentator Paul Clitheroe and respected investment strategist and author Arun Abey. Both remain actively involved as directors of ipac today.

we're here to help

Choosing the right aged care option can be a confusing, complex and often an emotional journey.

But you don't have to do it alone. An ipac financial care adviser can be by your side every step of the way.

They will explain the unfamiliar terms and financial arrangements you need to consider and assist you through the maze of aged care choices.



For more information contact an ipac financial care adviser on:

phone: **1800 170 425**

email: **financialcare@ipac.com.au**

web: **www.ipacagedcare.com.au**

ipac financial care is a Corporate Authorised Representative (ASIC No. 378149) of ipac securities limited ABN 30 008 587 595 AFS Licence No. 234656.

Whilst ipac securities limited ABN 30 008 587 595 believes that the information contained herein is correct, no warranty of accuracy, reliability or completeness is given and, except for liability under statute which cannot be excluded, no liability for errors and omissions is accepted. August 2010.