

Handle with care, together

People entering aged care face a maze of options better tackled with a helping hand from family members or professionals, writes **Bina Brown**.

Families are increasingly involved in the placement of their elderly relatives into aged care and the financial decisions facing them, says Alan Backman, director of Aged Care Financial Services, financial planning specialists for people moving into aged care.

"If a relative is going into a facility and has to pay an accommodation bond – mostly in low-level care or extra services facilities – then it's a minefield," says Backman.

Most people don't think about aged care until they have an immediate need, like illness or a fall; and most are baffled by the complexity of care and financial options.

Firstly, people need to be assessed for the level of care required; then they have to find a facility and work out if it's affordable – not to mention all the forms, assets assessments and applications. You can't just walk into an aged-care facility and decide it's for you.

Backman says that, increasingly, families are called on to help fund the initial accommodation bond – an amount set by individual facilities, which can be as much as \$1 million – at least until the person works out how to fund it in the long term. "Ideally, where the aim is to maintain or increase pension entitlements, larger bonds can be an attractive option for both the client and the facility, but this needs to be analysed against each individual's circumstances."

Once the person is in, there are other fees and charges linked to their income and assets, pensioner or non-pensioner status (if the resident entered care before March 20, 2008), and level of care. Generally a pensioner is charged 85 per cent of his or her pension.

"Because we work with both the aged-care facility and the resident (and their family) we achieve balanced outcomes for everyone. It

is important to know the options," says Backman. The Department of Health and Aging says financial decisions, for example about how a resident pays an accommodation bond or charge, can have different effects on pensions, aged-care fees and tax. Residents and their families are advised to seek expert financial information. A free "limited" information service is available from Centrelink.

Having helped for more than six years with the placement and financing aspects of elderly clients going into aged care, Backman has seen a mix of "family help".

"Most people want the best for their parents, but some struggle to see how they can afford long-term care and so might push for a cheaper entry option, even though the level of care may not be as good, or their parent may not be as happy. But on the whole, aged care in Australia is of a high standard and facilities are becoming very sophisticated.

"What people can do in advance of any need is to make sure someone in the family holds an enduring power of attorney – a legal document which gives a person the legal authority to make financial and legal decisions on behalf of another – it can help when a crisis hits," he says.

The founder of Melbourne-based Classic Moves, Pamela Heath, has also seen the best and worst of family help. "We see everything from people who don't have family to call on and at 80 years of age find it just too hard to deal with; others have family but don't want to involve them; others are being pushed by their family to move just so they don't have to worry about it," she says.

Heath started Classic Moves after her own father, who lived interstate, had a terminal illness and had to move into a high-care facility.

"I dropped everything and used my own superannuation to make sure he could go into a facility where he had his own room. It was when I was visiting him that I started to help other people move into retirement homes and aged care and realised there was a real need for a service which specifically dealt with older people's needs when it came to moving," says Heath.

"Often it is just having the patience to sort through people's things. We find homes for their pets. If there are things to be sold, we will organise for them to go to auction. If it is rubbish we will organise its removal," she says.

"Some people want us to get the house ready for sale, then empty the house and set them up in their room in a retirement village."

Given the issues, Heath often works under pressure at a very emotional time. "Few people think about moving into aged care. It is generally due to a fall. Any move has to happen pretty quickly. It is distressing at the best of times, then there are decisions like selling the house to pay for the accommodation bond. There are usually layers of grief to work through."

While family members may be involved, some clients moving into aged care like to maintain their independence and organise the whole thing themselves.



Infirmity

When Evon Ingleby first raised the issue of assisted living, her mother, Beryl, aged 87, was reluctant to talk about it. The fiercely independent widow was travelling and enjoying life.

Two months later she had a heart attack, followed by a fall while in hospital, and suddenly the decision of where to live was taken away from her. No longer capable of looking after herself, and with her son and daughter interstate, she had little choice but to move into a home.

Evon and her brother Paul had less than two months to have Beryl assessed by the government – which would help find her the right level of care – then sell her home of nearly 60 years to pay the accommodation bond of several hundred thousand dollars.

Living in Melbourne, they travelled regularly to see Beryl in Adelaide, often with the hope of visiting potential nursing homes.

How chi

There are a number of financial strategies younger family members can follow, writes **Bina Brown**.

Financially assisting ageing parents, whether through direct payments or indirectly such as paying for home help, is something many families have to face.

Assuming parents let it be known they are running short of cash, some siblings may come to an amicable agreement on who pays and does what, while others will bicker over who should bear the burden.

The good news for those who do need extra cash is that children can make regular or irregular gifts of money to a parent on a pension without affecting their pension payments.

Louise Biti, director of Strategy Steps, which specialises in financial planning, says the proviso is that the money must be spent.

If the money is paid into a bank account and it sits there for more than two weeks, the payments will be included as an assessable asset and subject to deeming on the amount in the bank account, which can affect the pension.

Any move has to happen pretty quickly. It is distressing at the best of times.

Pamela Heath of Classic Moves