

STUART CARLYON

Financial advisers for your lifetime goals

We need to talk about Heaven

A conversation that many of us are having lately concerns the topics of aged care, quality of life and the prospect of dying. Yet for some of us, these necessary conversations are put off – who really wants to talk about their own demise?

But somebody has to, because in the steps between independence, rest home care (or residential health care,) and one's end of life there are many financial, legal, government related and medical considerations. Decisions need to get made.

The older we get the stronger the chances of facing a medical and lifestyle crisis. And as Atul Gawande discusses in his thoughtful reflection on death and dying, "Being Mortal," a longer life is not necessarily a better life.

Susanna tells her story

“My mother passed away last year and the events leading up to that moment involved every facet of life all crammed into a compressed amount of time. She was in her late 80s and was suffering poor hearing and Alzheimer's, getting her pills mixed up and on one occasion starting a fire, oblivious to the screaming smoke alarm.

The change from being fully independent was for my mother very dramatic. Being Chinese she expected to be cared for by the family and not put into the rest home, so at the time she was living under the same roof as me. But it couldn't last. Because of events like the fire, the only course of action was to either put her into a rest home, or to hire full time private care: three eight-hour shifts per day.

We opted for a rest home as the private care was not logistically possible. But she hated it. She missed Chinese food and not being able to communicate in Cantonese. Not only had she felt her world diminish, as she downsized her horizons to one room, but she underwent the trauma of winnowing-down her meagre possessions and moving.

Had we done the right thing? Along the way there were the financial, legal, government policy considerations as well as medical decisions. Mum's future life was being decided-upon over 10 fraught days. It felt too rushed, the options seemed too limited and we had no real roadmap to guide us.”

It helps to get familiar with the aged care landscape

Deciding on the best aged care is a complicated process.

- Information is not compiled in one place.
- Funding is unclear. At the time of setting up a trust there was the ability to protect the assets within the Trust and for the settlor and as long as gifting requirements were met there would be entitlement to healthcare subsidies. Entitlement is on a case by case basis but note that WINZ are now assessing assets in a Trust on a look-through basis going back many years.
- Paying fees privately. If you are not entitled to subsidies, working out how you will cover the fees for the care – for example, do you rent your home or sell it?
- Licence to occupy. If moving into an independent unit in a retirement village, it is likely to be owned by way of a Licence to Occupy – even "rest home" level care is coming under this arrangement! Be aware most Licence to Occupy arrangements cannot be held by the Trust.
- Navigating through forms and applications. It can be bamboozling so get help if you are unsure and legal advice before you sign anything. The Sorted website has a useful financial checklist.
- Families may disagree. Are we doing the right thing?
- Review of legal arrangements. When circumstances change, there are ramifications on the legal front.
- Timing. If there's been a health emergency then there are generally only a few days to make decisions.

“One day, and quite unexpectedly, my mother suffered a fall at the rest home, and she ended up having to have a hip operation. She never came out of the anaesthetic.

Now the family had a further decision – do we hook her up to life support? Do we further prolong her life?

What guided us during this emotional time were the words of my mother. There was no way she would have wanted to continue, not with the steady progress of Alzheimer's. She had seen my father's own decline with dementia and had talked about it.

So we let her go. She lay in a coma and never awoke. That was July last year. I realised I'd had 30 years experience helping older clients face similar decisions, but Mum's story really brought things home.”

What advice does Stuart Carlyon offer?

The key is to become open about the subject of aged care and familiar with what's on offer. In terms of planning ahead we see two camps of people:

1. First are the "Stay in my own home" group. Their plan is to enjoy their home and only when necessary get help, by paying for a gardener or cleaner to come by. Perhaps food might be delivered in and possibly government funded home help. This independent streak is laudable though a contingency plan needs to be worked out in case of a medical emergency: a fall perhaps, or a stroke. What then?

2. Second are those who move, before any emergency, to a retirement village (independent or assisted living options). One good thing is the wider range of options now and we are seeing several clients who have chosen to 'move home' to a village where there happens to be health care available if needed later on.

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Either way there can be all kinds of legal and tax, let alone investment, implications and our role is to help establish a clear roadmap with you for the sake of your family.

When an elderly person loses their health, or they reach what the local health board refers to as "end of life", it is a terribly emotional time and clients have appreciated our role in taking some of the pressure off the situation. We can provide assistance including: helping to rearrange the existing financial arrangements, filling out forms, deciphering care options, liaising with lawyers and accountants, working out how the fees for the care are going to be met, and making sure there is an up to date will, as well as Enduring Powers of Attorney (EPAs).

As Certified Financial Planners our role is certainly much broader than an investment adviser. (A point made by Deborah, see article below.)

Financial Advice – what's in it for you?

Deborah recently filmed a video showcasing the benefits of a financial plan to help achieve your goals and objectives. She was asked by the Retirement Commissioner's office to explain the role of the financial adviser.

A point she makes is that it is important to have an adviser who is concerned not only about income and investing, but also about the legal, accounting and family issues that often challenge us at some points in our lives.

You can catch the video online at Invested.co.nz an education series created by The Commission for Financial Capability. There is a wealth of information on the CFFC website with links to the well regarded Sorted website and Invested. While online check out: sorted.org.nz with its excellent guide and tips for choosing a retirement village.



Visit Invested.co.nz to see Deborah's interview

Notes from the Stuart Carlyon diary

Taxes – that summary feeling

Right now our focus is on preparing for each client a year-end tax summary; that neat package listing all the investment income and tax deductions for your portfolio. We're trying to make your life simpler. Tax reports will be emailed around mid-May but please call if you need any information earlier.

We're now in the cloud

These days more and more things are stored 'up in the cloud' and, well, we are no exception. We made our move in January to our modern new offices in the Cumulus building at 8a Cleveland Road - still in Parnell, nearer the Rose Gardens now.

All our contact details are the same except our physical address as shown in the map below. We've enclosed new business cards but please phone if you missed out or would like any more to pass on to family or friends for a financial consultation. We welcome referrals.

