



## Marilyn Nelson, aged care specialist adviser at Big Sky

Nelson spent six years as a generalist adviser and has been advising in aged care and estate planning for the last five at Big Sky, a mutual firm of Australian Unity.

### 1. How did you meet your client and what was him or her situation before your advice?

My clients came to me referred from one of our other advisers' referral sources. The family came to me because there was a single parent left that needed to go into care. Dad passed away a few years before and mum had left the investments in place. There was about \$1.5m plus their home of about \$500k. The recent income return for the portfolio of investments was about 6%

### 2. What prompted the client to take up professional advice?

The family had found a facility and gone through the process, but suggested that they get professional advice.

### 3. What sort of advice did you give to your client in each of these areas?

The first thing we did was deciding whether to sell or rent the family home. We then talked about the bond: how big it is, how much should they pay, should they give more than what's being asked for and how do they fund it. We also looked at the ongoing fees of the facility and how all of this works in relation to

their current cash flow and their asset base.

In this case, the clients wanted the strategy to be simple and easy to manage and to provide sufficient cash flow to pay the ongoing costs.

### 4. What was the final outcome of the advice process?

The outcome for this client was different to most because of the higher than usual level of assets that the family had. It is usual for the 'keep the home and rent it out' to be more financially beneficial, but in this case they sold the family home and invested the proceeds.

If the clients received a 5% income return, then they were \$4,000 better off per year than they would be if they went to the trouble of paying maximum bond, renting the home and becoming entitled to Centrelink for the first time. If the investment return dropped to 4.5% then the family was better off by about \$2,500 if they took the maximum bond, renting the home and Centrelink option.

As with all the aged care clients, you need to run a number of scenarios to make sure the clients can choose the option that suits them. In this case, they chose not to commence dealing with Centrelink.

### 5. Do you have an ongoing relation with this client?

After having advised the family on the aged care of their relative, they are coming back to be clients of mine.

### 6. What is your remuneration model?

We work on a fee for service model and clients can pay from their bank account or by cheque.

### 7) Did your client recommend you to their friends or relatives? Please elaborate.

They have gone back to the referrer and told them what a good experience they had dealing with us.

### 8) How would you describe the task of an adviser specialised in aged care?

Advice in aged care starts the minute that the person comes through your door. You need to understand the emotions that they are going through and what turmoil their lives are in at the moment, because it is a very stressful time for them.

It is different from being a generalist financial adviser where you're dealing with people who want a financial outcome. They want you to hold their hands, walk you through and help them to understand the process. **FS**