



Residential Care Subsidy & Loan

If you or a loved one are about to make the move into a rest home, you may be eligible for the Residential Care Subsidy provided by the government to assist with the costs for those who can't afford the expensive fees.

The Residential Care Subsidy is not a set amount and can differ from person to person depending on your circumstances. So, if you're eligible, the government may subsidise some or all the costs of care.

To qualify, you need to:

- Be a NZ citizen or resident;
- Be 65 years or older (please note that in some instances people aged 50-64 may also qualify); and
- Be assessed to determine that you do require rest home or hospital care.

If you meet the above criteria, you need to complete and submit the *Residential Care Subsidy* application form to the Ministry of Social Development. The application is a detailed and lengthy process and includes a series of questions to assess you financially both in respect of assets and income.

The subsidy can only be back dated 90 days from when you apply so you should apply as soon as you go into care.

The Asset Test has two thresholds that you can choose to be assessed under depending on your circumstances. If you are 50-64, single and do not have any dependent children, you will automatically meet the asset test. If you're 65 or older, you (and your partner's) total assets must be \$256,554 or less. If you're 65 or older and your partner does not require long-term residential care, you can choose whether the total value of your combined assets is either \$140,495 or less if you do not want to include the value of your house and car. The house does not need to be counted as an asset if it is the main place where your partner lives. \$256,554 or less if you do want to include the value of your house and car. Assets may include boats, caravans and campervans; shares and investments (including investment properties); cash and savings in your bank account; an asset may also be any gifts transferred to someone else during your lifetime over the \$27,000 gifting threshold.

It is important to note that if your house is owned by a family trust, the house is not considered as your own asset and as such will not be assessed as an asset for the test.

The Income Test is a means assessment as the underlying principle of the subsidy is that if you can afford to pay for your own care, you should. If you qualify, all of your income should be directed to the rest home and the government will pay the shortfall. However, you can keep the following income per year depending on your situation:

- If you are single, \$1,114.
- If you have a partner who has also been assessed as needing care \$2,228.
- If you are a couple and only one person needs care \$3,341.

If you own a house and wish to keep it while going in to care, you may qualify for a Residential Care Loan. The loan is essentially provided by the government for the cost of your care and the loan is secured by placing a caveat over the title of your property. The loan is interest free and will be repaid when you pass away or when the home is sold, whichever occurs first.

To be eligible for the residential home loan:

- Still own the home you lived in before going into residential care.
- Your home is worth more than \$256,554.
- The total of any other assets you own is less than \$15,000 if you are single or \$30,000 if you are a couple.

All in all, the Residential Care Subsidy and Loan Application is a lengthy process which requires a lot of supporting information such as bank statements, proof of other assets and income.

—HANNAH WARBURTON—COLLINS & MAY LAW

God promised men that good and obedient wives would be found in all corners of the world. Then he made the world round. . . . and laughed and laughed and laughed and laughed.

Beware of Falling Victim to a Scam

Over the past year, four out of five people have been targeted by a scam and more than a quarter have fallen victim to one—up 7% on the previous year. Businesses are also feeling the pain, with 47% of them falling victim in the last year, up from 21% the prior year.

BNZ head of financial crime, Ashley Kai Fong said scams are rising year-on-year, and as they climb, so does the toll on New Zealanders and the trail of destruction left in the wake. Scams don't just damage our finances, they cause hurt, shame, and embarrassment to their victims and they erode trust and confidence in brands, businesses, and organisations. Many Kiwis are bombarded by SMS scams that aim to steal online banking details, credit card details, or other sensitive information.

"We're always seeing scammers change their tactics," Kai Fong said. "25% of all victims report clicking on a link in an email or text now, and with text messages being virtually free to send overseas, the country is getting inundated with them. It could be almost anything – a message pretending to be from a bank asking you to urgently confirm a transaction or from a courier company asking you to urgently pay a release fee. The link in the text messages look almost legitimate so it's easy for someone in a hurry to tap through. But the website is fake. Everything you enter is immediately sent to the scammers and they use the details to log into your real online banking and take your money or run up charges on your debit or credit card."

Kai Fong said, " 'You' are the best defence against scams. If you know what to look for and can recognise the signs of a scam, you're less likely to fall victim. We're urging people to take a look at the tools and refresh themselves so they can be better protected."

Kai Fong is also urging people to report when they've been targeted or fallen victim to a scam.

"If you have been targeted, report it to CERT NZ," he said (www.cert.govt.nz/about). "If you think you may have lost money to one or someone might have accessed your online banking, call your bank immediately."

—MINA MARTIN, KEY MEDIA

You're probably in the world's wealthiest 10%

This might surprise you, but you're probably one of the top 10% wealthiest people in the world. And here's why: If you own a house in a nice Auckland [or Lower Hutt / Wellington] suburb without a mortgage, you might even make it to the top 1%.

Recent figures showed that New Zealanders had the fastest rise in mean wealth per adult in the world between 2020—2021.

According to recent data from Credit Suisse, New Zealand's mean wealth per adult increased by US\$114,290 (NZ\$202,000) to US\$472,150, while the median lifted to US\$231,260, up NZ\$57,920, ranking it third globally, *Stuff* reported.

Boosting Kiwis up the world rankings was the combination of rapidly rising house prices and a strong currency last year, the data showed.

In 2021, there were 347,000 US-dollar millionaires in New Zealand – that's 113,000 more than the previous year. Globally, there were 62.5 million. New Zealand was among the top 10 in terms of the biggest growth in millionaires in 2021. The country was home to 2.126 million people in the top 10% richest globally and 281,000 in the top 1%.

Globally, the top 1% now have 45.6% of the world's wealth, up from 43.9% in 2019.

To make it to the wealthiest 10% in the world, you need to have an individual net wealth of US\$138,346. For the 1%, the bar is US\$1.147 million. Net wealth is calculated by subtracting debt from the total value of assets owned by a person, *Stuff* reported.

—MINA MARTIN, KEY MEDIA

Cost of Surgery

Medical procedure	Average cost range
Skin cancer removal	\$200 to \$2,400
Colonoscopy	\$1,500 to \$3,200
Grommet surgery	\$2,100 to \$2,500
Tonsil removal	\$4,400 to \$6,400
Squint correction	\$5,100 to \$7,800
Varicose veins	\$6,300 to \$7,800
Endometriosis surgery	\$8,400 to \$21,000
Prostate cancer surgery	\$18,600 to \$25,800
Hip replacement	\$22,400 to \$27,300
Knee replacement	\$23,100 to \$27,700
Heart valve replacement	\$63,100 to \$80,400

It's fair to say that none of these are cheap. But the good news is the Public Health System will take care of them and do it for free. Surely there's a catch... There is. You'll probably have to wait and wait and wait and that means a period of uncertainty and possibly a lengthy time of living with pain.

There is an answer – Private Health Insurance. Talk to your Financial Adviser here at MFAS.

If you find yourself feeling useless, remember it took 20 years, trillions of dollars and four US presidents to replace the Taliban with the Taliban.

Best Brains

The director of the George Washington University School of Medicine argues that the brain of an older person is much more practical than is commonly believed. At this age, the interaction of the right and left hemispheres of the brain becomes harmonious, which expands our creative possibilities. That is why among people over 60 years of age, you can find many personalities who have just started their creative activities.

Of course, the brain is no longer as fast as it was in youth. However, it gains in flexibility. Therefore, with age, we are more likely to make the right decisions and are less exposed to negative emotions. The peak of human intellectual activity occurs around the age of 70, when the brain begins to function at full strength.

Over time, the amount of myelin in the brain increases, a substance that facilitates the rapid passage of signals between neurons. Due to this, intellectual abilities increase by 300% compared to the average. Also interesting is the fact that after 60 years, a person can use 2 hemispheres at the same time. This allows you to solve much more complex problems. Professor Monchi Uri, from the University of Montreal, believes that the old man's brain chooses the path that consumes less energy, eliminates the unnecessary and leaves only the right options to solve the problem. A study was conducted involving different age groups. Young people were very confused when passing the tests, while those over 60 years of age made the right decisions.

Now, let's look at the characteristics of the brain of an elderly person between the ages of 60 and 80. They are really pink.

1. Neurons in the brain do not die. The connections between them simply disappear if not engaged in mental work.
2. Distraction and forgetfulness arise due to an overload of information. Therefore, it is not necessary for you to concentrate your whole life on unnecessary trifles.
3. From the age of 60, when making decisions a person uses both hemispheres, not one hemisphere, like young people.
4. Conclusion: if a person leads a healthy lifestyle, has viable physical activity and is fully mentally active, intellectual abilities do NOT decrease with age, they simply GROW, reaching a peak at the age of 80-90 years. So do not be afraid of old age—strive to develop intellectually, learn a new craft, learn to play a musical instrument, paint, dance! Take an interest in life—meet with friends, plan for the future, go to cafes, shows. Don't shut yourself away. Live with the thought: all good things are still ahead of me! —NEW ENGLAND JOURNAL OF MEDICINE

[Hopefully it's true! —Ed]

The MFAS Team of Financial Advisers

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- Retirement Planning
- Wealth Management

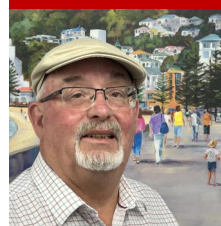
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- KiwiSaver
- Insurance
- Retirement Planning
- Wealth Management

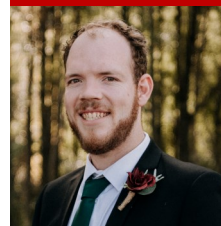
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- Wealth Management
- Retirement Planning
- Insurance

George MacKay



Financial Adviser

- KiwiSaver
- Insurance

I'm responsible for what I say, not what you understand. Common sense is like deodorant. The people who need it the most never use it.

I put my scales in the bathroom corner and that's where the little liar will stay until it apologises.

He has all the virtues I dislike and none of the vices I admire."

—WINSTON CHURCHILL

I want to be 18 again and ruin my life differently; I have new ideas.