

# AGEING

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Australia has one of the highest ageing populations in the world. The population aged between 65 and over has gradually increased from 10.5% in 1986 to 14% in 2011. This figure will gradually increase to nearly 22% by 2030 with the substantial contribution by the ‘Baby Boomers’ generation. Who are baby boomers? The people who were born between 1941 and 1961 are called baby boomers. Among this aging population, around 200,000 people are retiring every year. According to Dept Human Services, it paid \$41.6 billion aged pension in 2014/2015 financial year compare to 39.5 billion in 2013/2014. Around 77% of Australian aged over 65 receives aged pension or some kind of income support from the government after retirements.

This creates a huge burden on Australian taxpayers; therefore, the government is gradually increasing the qualifying age for aged pension. In current arrangement, the retirement age to qualify for aged pension is 65 if you were born before 1<sup>st</sup> of July 1952. This figure gradually increases to 67 years if you were born on or after 1 January 1957. However, there is no fixed retirement age in Australia; you can retire whenever you like; only catch is you cannot touch your super fund or claim aged pension until you reach to retirement age. The qualifying age for retirement is also based on year of birth.

Generally, qualifying age to retire is between 55 and 59 years. If you choose to retire between 55 and 59, you cannot get full pension or superannuation benefits until you reach 60. Also you cannot work more than 10 hour per week if you decided to come back to work force after retirement. On the contrary, if you retire on or after 60, you will be eligible to get full pension and super benefits as well as you are eligible to work full time if you decided to come back to work force. This is a policy paradox; it demonstrates that the government is pushing ageing population to remain in the work force more years at later stage of their life.

It is commendable to see that the Bangladesh community in Sydney have been active lately with their ageing populations. They formed senior citizen forum 50+ and working together to buy land to build nursing homes or aged care facilities in Sydney; these are all good news. This paper aims to shed some light, in line with the community initiatives, on how the ageing population of the community can achieve better outcomes.

Retirement can be a daunting prospect as we head to later stages of our life. We are needed to make some life changing decisions; such as where to live, how to manage our assets, how to get access to government benefits, who to ask to look-after us when we are too frail to look after ourselves and so on. Therefore, we need to think through these issues carefully and diligently at

our retirement. We might need to make some necessary arrangements to live peacefully in our old age.

### **Accommodation:**

Accommodation can be a big issue in our very old age. Most elders want to live in their own homes without moving in to nursing homes, retirement village or aged care facilities. The reasons behind as no one want to live suddenly to an unfamiliar environment or lose the comfort of living surrounded by their loved ones. However, these wishes are not always easy to achieve. The home they have been living in their whole life can be too cumbersome in old age. For examples, homes can be too big or have stairs, be too far from doctors, pharmacists, and day-to-day services. The garden can be too big to manage; the house may need significant modifications to suit the personal needs in old age and that modification can be too expensive. So, moving into nursing homes or an aged care facility can be viable alternatives. We need to think carefully and thoroughly about where we want to spend most of your retirement as well as the later stage of our life. Going back to native country Bangladesh is an option, however, there is no reciprocal Medicare or Social Security arrangement between Australia and Bangladesh. So, this can be an issue in our old age. Good news, there is community movement underway to form a bilateral agreement for reciprocal social security arrangement between these two countries similar to some European countries like UK and Ireland. Until such time and we succeed it is not a viable alternative.

### **Aged Pension:**

We need to bear in mind that to qualify for aged pension is means tested. Any assets except your primary residence can be means tested for receiving government benefits. So, if you have substantial assets such as investment property, boats, luxury cars, and liquid assets such as cash, bonds and shares; you are better off divesting these assets five years prior to your retirement. You can divest or distribute your assets among your heirs, this way you can preclude yourself from these assets from being means tested and be eligible to get government assistance as a retiree. However, if you are desperate to live in your own home in your old age without divesting and you are assets rich and cash poor, you can put your house with “Reverse Mortgage” with bank. Reverse Mortgage is a large topic and outside of the scope of this paper. I shall endeavour to write about this at a later date. It is always advisable to seek financial advice from a qualified financial planner before making any financial decision. Most super funds provide free financial advice for their members through qualified financial planners.

### **Will:**

Will is a legal document that sets out how you want your assets distributed according to your wishes when you die. It is advisable for every adult to have a will and anyone above the age of 18 can have a will. There are a lot of DIY will kits available in market to make a will. However, it is advisable for a qualified legal professional to construct your will if you have significant assets and a large family with possibility of contesting will. Please be advised that family provisions under the *Succession Act 2006* NSW allow former spouse, de facto-partner, children from extra marital affairs and even anyone close and financially dependent can make claim to the deceased estate at the court.

A will must be in writing and it needs to be rewritten if you get divorced, remarried, or if you have outlived the executor and trustee of the will. A will can provide your family with security and reassurance that they will not need to be arranging your affairs during a very emotionally

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**Disclaimer:** this is not a personalised financial or taxation advice whilst the writer has endeavoured to ensure that the information on this paper is correct; however, he does not claim its completeness or accuracy. You should always verify information with the relevant organisation, eg. Centrelink, ATO or other regulatory bodies. **Atiq Rahman** – writer & lawyer, Sydney.

distressing time. You can get information how to form a will from the NSW Trustee & Guardianship website <http://www.tag.nsw.gov.au>.

### **Health:**

Health in particular dementia is the most important issue in old age. With aging we get impaired mental capacity that makes complex decision making of our distinctive needs such as accommodations, healthcare, financial and legal services untenable. According to 2008 Census, there were 227300 people diagnosed with Dementia in Australia and projection is that this figure may increase to three quarter of a million by 2050.

Dementia is a major issue to address for the governments of all levels in Australia. Aged care assessment team (ACAT) can assist with assessment of dementia who requires formal diagnosis. Once diagnosed that will ultimately impact on the sufferer legal rights. In this case, an *Enduring Power of Attorney* is assigned to someone to make decisions on their behalf when they are no longer on sound mind. The *Enduring Power of Attorney* can be a close relative or a friend who is intelligible and willing to take the role to make important decisions about the person's health and general well being.

### **Power of Attorney & Enduring Power of Attorney:**

The *Power of attorney* and the *Enduring Power of Attorney* sound similar, but they are two different tools. Both are used to make decisions on someone's behalf; but there is a significant difference between these two. The former is a power given to someone who you trust to manage your financial affairs on your behalf when you are unable to do so; but this power does not give authority make decisions on your health or well being and life style on your behalf. Generally, the *power of attorney* is given to collect rent, deal with banks or property matters. It has also time stipulation with end date. In contrast *Enduring Power of Attorney* gives legal power to someone to make decision on health and well being on your behalf. You should consult with a legal professional before executing power of attorney or enduring power of attorney, because these tools can be used on your detriment if legal representative does not understand your wishes or acts deceitfully.

An "*Advance Care Directive*" is another tool that allows you to outline your wishes when it comes to your end of life care. It is a very important document that is referred to by the doctors who will be involved in your end of life care when the time comes. You should discuss your Advance Care Directives with your loved ones to make sure it is adhered to when you are no longer cognisant. However, if someone has no one to take advance care directive, the most senior health professional present will make the medical decisions regarding your care at that time.



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