



**Hutchinson  
Legal**

Aged Care  
Costs

Changes to  
Super

Organ  
Donation

SPRING 2022

# Insight

## Spring back to life

In this Spring newsletter, we look at various issues relating to aged care, organ donation and changes to superannuation legislation as at 1 July 2022. As we contemplate the passing of Winter and the arrival of Spring, we ponder all things that age and wither, leaving room for new beginnings, growth and change.

## Aged Care – What is the real cost?

Residential Aged Care is regulated by the Aged Care Act of 1997 and there are three categories of fees charged – basic care fees, accommodation fees and additional service fees.

### Basic care fees

These fees include a basic daily fee which is set by the government and can be up to 95% of the full pension. The only people exempt from this fee are those experiencing financial hardship (determined by Centrelink). The government makes a contribution to this fee based on a means test of assets. To help ensure that care is affordable for everyone, the Government regulates a maximum amount for daily fees.

### Accommodation Fees

These fees differ in every facility and depend on the type of room chosen. Again, the government regulates the upper limit of these accommodation fees and each facility must apply to exceed these limits. There are four ways to pay these accommodation fees – by a further daily fee, by refundable accommodation deposit (RAD), a combination of both a daily fee and a RAD or a draw down payment. Each will be clarified by the aged care provider.

### Additional services fees

These are hotel style extras offered by some facilities such as newspapers or television subscriptions as upgrade bundles. All of the above fees must be recorded in the Resident Agreement.

The transition into aged care can be planned but when unexpected circumstances force a decision then having the support of a caring legal team will assist you in the process and ensure you have the clarity you need to choose a residential care facility that best suits your needs and those of your loved one.

To read the full article, please go to: <https://www.hutchinsonlegal.com.au/resources/aged-care-what-is-the-real-cost/>

**If you would like to discuss your circumstances with our Eldercare Legal Team please call 9870 9870 or email [office@hutchinsonlegal.com.au](mailto:office@hutchinsonlegal.com.au)**

**“Count your age by friends, not years. Count your life by smiles, not tears.”**

**JOHN LENNON**

### FAST FACTS

## 3.5yrs

The increase in life expectancy since 1960. Worldwide life expectancy for women is now 74.2 years, and 69.8 years for men.

## 22%

Percentage of the population that will be 60 years or older by 2050.

## 122yrs

The age of Jeanne Calment the oldest verified person, born in 1875.



# Changes to Superannuation on 1 July 2022

Changes to superannuation legislation which commenced on 1 July 2022 could impact your super plans.

## Work Test

Prior to 1 July 2022 individuals aged between 67 and 74 who wanted to make a voluntary non-concessional (after tax) super contribution had to meet a work test or get a work test exemption. Under the new rules, any individual under 75 years of age can make or receive personal and salary sacrifice contributions without meeting a work test or needing an exemption, subject to existing caps. These caps are

- Before tax contributions cap: \$27,500
- After tax contributions cap: \$110,000

## Downsizer Contribution

The age thresh-hold for the downsizer contribution has reduced from 65 to 60. This contribution enables people over 60 to sell their home and contribute up to \$300,000 (per individual) to their super account. The downsizer contribution does not attract tax and does not count towards annual contribution caps.

## Super Guarantee

The compulsory payment which must be made by Employers (Super Guarantee) increased from 10% to 10.5%; Also, the \$450 super guarantee threshold has been removed for employees aged 18 and over. Before 1 July 2022 Employers only needed to pay the super guarantee if workers were paid \$450 or more (before tax) in a month. From 1 July 2022. This change is designed to assist low-income earners to increase their retirement savings.

## First Home Buyers

The maximum amount that can be released under the First Home Super Saver Scheme has increased from \$30,000 to \$50,000.

## Bring forward rule

Finally, individuals aged 67 to 74 on 1 July of a financial year will be able to make non-concessional contributions using the bring-forward rule, to make after-tax contributions greater than the annual non-concessional contributions cap, subject to the contribution limits. This allows individuals in this age group to make contributions three times the current cap in one financial year.

**For legal advice about the changes to the legislation please contact our Wills and Estates Team on 9870 9870. For financial advice as these changes apply to you, we suggest you contact your superannuation fund or financial adviser.**



## Organ donation – Can my decision be changed after my death?

Many people desire to have others benefit from their passing and register to become an organ and/or tissue donor on the Donor Register.

Registration is voluntary and particular tissue/organs can be nominated for donation. You can also register your desire not to be an organ or tissue donor on the Donor Register. As distinct from a choice to donate, the choice not to donate cannot be overridden after your death.

If an Executor or senior next of kin states that the deceased had recently changed their mind about donating his or her organs or if this person refuses consent to the deceased's organs being donated, no donation will occur.

As difficult as these conversations are, having them during your lifetime may alleviate the distress or resistance of a grieving family and ensure that your decision to either donate or not to donate is followed.

To read the full article, please go to: <https://www.hutchinsonlegal.com.au/resources/organ-donation/>

**For more information go to <https://transplant.org.au/faq/> and if we can be of assistance, please contact our Wills and Estates Team on 9870 9870 or via our website.**



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