

Life Matters!

Bay Financial Centre
PLAN PROTECT PROSPER



September 2012

Lived or Worked in Australia?

Are you or someone you know one of the thousands of kiwis who have earned a living in Australia and is now living back in NZ? If so you will have contributed to the Australian Super scheme.

As you will no longer be contributing to your Aussie super, the chances are any investment returns are being eaten away by the super scheme fees and there is nothing you could do about it – until now.

The good news is that at last the Aussie government has completed legislation to allow Aussie super investments to be transferred to KiwiSaver for those kiwis who are now resident back here. The slightly bad news is that the legislation will not come into force until July next year.

If you are one of those kiwis who have funds tied up, estimated at several billion dollars, over there and would like to bring it back as soon as you can, let us know & we will put your name on our data base. As soon as we have confirmation of the transfer date and the necessary forms, we will contact you and arrange the transfer of funds to your KiwiSaver scheme.

KiwiSaver

Speaking of retirement. If you are one of our clients, have been in KiwiSaver for at least five years and are aged over 65, you are entitled to withdraw your KiwiSaver funds. We should have been in contact with you about your options. If not our apologies and please let us know. If you have friends in a similar position who haven't been contacted and aren't aware of their options [maybe they joined through a bank who is not as pro active as we are], tell them to give us a call and we can help them with the right decisions.

KiwiSaver is the most important investment we can make for our retirement and you can never start too early. Current talk is that to maintain your lifestyle in retirement a married couple needs around \$50,000

per year to maintain their lifestyle. How are you going? No idea?

Try the Sorted website for a range of basic calculators to give you a head start.

<https://www.sorted.org.nz/calculators>

Domestic Insurance

Has your insurance bill gone UP with a jump? We bet it has as we all pay for the cost of fixing the damage caused by the Christchurch earthquakes. We have noticed a large rise in clients seeking alternative quotes for their house, contents and car insurance.

We now have access to one of New Zealand's leading insurers - Tower Insurance. If you would like a quote to compare with your existing insurer, give us a call. We will arrange for a Tower representative to call you. Remember it is not just the price that has to be right. You also need confidence your insurer can afford to pay out when you have a claim as some Christchurch residents found out when their insurer went broke.

Don't rely on the State safety net

Can you imagine living on \$171 in the hand a week? That's the unemployment benefit for a married person with or without children. The Sickness benefit is the same. If your spouse is working, you might not even get that.

Sure beneficiaries can be entitled to other allowances such as family tax credits, accommodation supplement, childcare subsidies and discounted medical care with the Community Services Card, but many of these are means tested, putting them out of the reach of people with assets.

If for example you have assets over and above the family home of \$16,200, you can kiss goodbye to the accommodation supplement.

If you want to give yourself a few sleepless nights or a wakeup call about taking out insurance, check out Work and Incomes What You Might Get calculator at <http://www.workandincome.govt.nz/onlineservices/eligibility/index.html>

Nursing home in your future?



An oldie, but fun thought:

When I get old and feeble I am going to get on a Princess Cruise ship. The average cost for a nursing home is \$250 a day. I have checked on reservations at Princess and I can get a long term discount and senior discount of \$175 per day. That leaves \$65 a day for

- 1. Gratuities which will only be \$15 per day*
- 2. I will have as many as 10 meals a day if I can waddle to the restaurant or can have room service [which means I can have breakfast in bed every day of the week].*
- 3. Princess has as many as three swimming pools, a workout room, free washers & dryers and shows every night.*
- 4. They have free razors, soap, shampoo and toothpaste.*
- 5. They will even treat you as a customer, not a patient. An extra \$5 worth of tips will have the entire staff scramble to help you.*
- 6. I will get to meet new people every 14 days.*
- 7. TV broken? Light bulb need fixing? Need to have a mattress replaced? No problem! They will fix everything and apologise for the inconvenience.*
- 8. Clean sheets and towels every day and you don't even have to ask for them.*
- 9. If you fall in a nursing home and break a hip, you are invalided. If you fall and break a hip on a Princess ship, they will upgrade you to a suite for the rest of your life.*

Now hold on for the best! Do you want to see Sth America, the Panama canal, Tahiti, Australia, Asia or even New Zealand or just name where you want to go? The Princess has a ship going your way. So don't look for me in a nursing home, just call SHORE to SHIP.

PS and don't forget, when you die they just dump you over the side at no charge.

Life Events

What are they you may be asking?

Many insurance companies now build in as a standard feature across a range of different insurances the ability to increase the amount of cover without the drama of having to go through a new application and the underwriting process. So, no medical exams, no visits to doctors and no waiting for medical information to be supplied to your insurance company.

Life events typically cover such occasions as marriage or civil union, divorce or legal separation, full time care of a dependant relative, birth or adoption of a child, increasing an existing residential mortgage, purchasing a new home as your residence, purchasing a new or additional residential property, purchasing a holiday home, purchasing bare land zoned residential, commencement of a first course of full time tertiary education by a dependant child.

If one of these events has happened to you recently, we should know about it. Give us a call. There is usually a limit on the time frame when your insurance can be increased from the date the Life event occurred.

Head Spinners

The amount of sunlight that falls on the earths surface in one minute is sufficient to meet world energy demand for an entire year.

Recycling a single aluminium can would run a TV for three hours. Recycling one tone of paper saves 20 trees and 10,500 litres of water.

The computer you're using right now, in all the years you will own it, will never consume more energy than was required to create it.

A neurotic is a man who builds a castle in the air. A psychotic is the man who lives in it. A psychiatrist is the man who collects the rent.

Multi generational insurance

There is no doubt underinsurance among young families is a major threat to the future livelihood of tomorrow's retirees. Could your adult children pose a threat to your retirement?

? Do you have any children?

- If they suffered a serious illness or accident and couldn't work for an extended period, how would they cope financially?
- Do they have a mortgage or any personal or business debts in their name?
- If they had to pay substantial out of pocket medical expenses, where would this money come from?
- Are you a guarantor for any of your children's loans or debts?
- If you had to help out your child financially, what would it mean for your own financial situation – both now and in retirement?

? Does your child have a spouse/partner?

- If their spouse/partner couldn't work for an extended period due to a serious illness or injury, what would it mean to them financially?
- If your child had to stop work temporarily to look after their spouse/partner where would that leave them financially?
- If their spouse/partner passed away unexpectedly, how would they cope financially? Who would they turn to for help?
- Does your child's partner have any additional personal or business debts – on top of the debts they share with your child?
- Does your child or their spouse/partner have a significant level of savings they could access in an emergency?
- If you had to help your child and their spouse/partner out financially, what would it mean for your own financial situation – both now and in retirement?
- If your child was to die unexpectedly, who would take care of their debts or provide for their family?

? DO you have any grandchildren?

- If your child had to spend an extended period of time in hospital, who would look after your grandchildren?
- If your child or their spouse/partner could never work again, how would they afford to provide for their children's ongoing expenses?
- Do you know who your child has listed as the guardian of their children if they were to die unexpectedly? Would that guardian be able to support your grandchildren financially?

- Would you be able to stop work earlier than expected to take care of your grandchildren if they needed you? If so, how would this impact on your finances – both now and in retirement?
- If you had to take on the ongoing care of your grandchildren what would having the additional time and financial commitment of a dependant[s] mean for your long term plans?

If the answers to any of these questions put your retirement plans at risk, maybe you and your children should be talking to us.

A common complaint is "We can't afford the premiums". But can they afford not to? What if something does go wrong. Maybe an option to ensure areas you feel strongly about are covered is for you to part pay your children's insurance premiums?

On the lighter side

The wife left a note on the fridge

It's not working! I can't take it any more. 'I've gone to stay at Mum's' I opened the fridge, the light came on and the beer was cold Don't know what she was on about!

A man placed some flowers on the grave of his dearly departed mother and started back toward the car when his attention was diverted to another man kneeling at a grave. The man seemed to be praying with profound intensity and kept repeating

"why did you have to die? Why did you have to die? The first man approached him and said "Sir, I don't wish to interfere with your private grief, but this demonstration of pain in more than I've ever seen before. For whom do you mourn so deeply? A child? A parent?" The mourner took a moment to collect himself, then replied " My wife's first husband".

Contacting us

Our office is at 308 Albert Street, Hastings [off Karamu Road north]

Phone: 06 8787350

Fax :06 650 1857

Email: steve@bayfinancialcentre.co.nz

Mobile: phone/txt 027 283 5039

Disclaimer: A Disclosure Statement under the Financial Advisers Act 2008 (FAA), the Financial Advisers (Disclosure) Regulations 2010, and the Financial Advisers (Disclosure) Amendment Regulations 2011, and the Code of Professional Conduct is available on request and free of charge. This publication has been prepared for your general information. While all care has been taken in the preparation of this publication, no warranty is given as to the accuracy of the information and no responsibility is taken for any errors or omissions. You should seek the personal advice of your adviser before taking any action in relation to the matters dealt with in this publication. Views expressed in this newsletter are not necessarily the same as those held by Bay Financial Centre. They are of a general nature only and should not be taken as investment or legal advice.