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GOING INTO CARE—AM I ELIGIBLE FOR THE RESIDENTIAL CARE SUBSIDY?

The Residential Care Subsidy is a subsidy provided by the Government to cover the cost of your care if you are assessed as needing long-term residential care in a hospital or a resthome.

In order to be eligible for the subsidy:

- (a) You must require care for an indefinite length of time;
- (b) You must be 65 years or older (or aged between 50 - 64 years if you are single with no dependent children);
- (c) The value of your assets must not exceed the current asset threshold.

Current asset testing thresholds:

1. *If you do not have a spouse/partner or if you have a spouse/partner who is also in long-term residential care:*
 - Your total combined assets must be valued at less than \$218,423.00
2. *If you are in a relationship and only one spouse/partner is going into care, either:*
 - Combined total assets of \$119,614.00 **excluding the value of your home and car;** or
 - Combined total assets of \$218,423.00 **including the value of your home and car.**

Assets:

Assets include anything that you own such as your home, funds held in bank accounts, bonus bonds, investments, life insurance policies etc.

Gifts:

Any gift you have made during your lifetime may be deemed an asset for Residential Care Subsidy purposes.

When applying for the subsidy, you will be required to produce evidence of any gifts you

have made during your lifetime. If you have a Family Trust then you will also be required to produce a copy of your Trust Deed together with copies of your gifting documentation.

For each application, gifts made of up to \$27,000.00 per year are not deemed to be an asset for Residential Care Subsidy purposes.

For the period five years before going into care, gifts made of up to \$6,000.00 per year will not affect the entitlement to the Residential Care Subsidy.

If any gifts made exceed these limits, the extra amount will be deemed an asset for Residential Care Subsidy purposes. This value is added to your total assets.

As Gift Duty has been abolished in New Zealand, there are no Gift Duty implications should you wish to make a gift of over \$27,000 in any given year. You do need to be aware however, that gifting an amount which exceeds the threshold above (i.e. to a Family Trust, child or other relative) may affect your eligibility for the Residential Care Subsidy should you go into care in future.

Depending on your circumstances it may be more beneficial to make a large gift "in one go", bearing in mind that only a small percentage of the population go into care.

If you have any queries regarding gifts you have made or are intending to make, please feel free to contact one of our team. We are only too happy to discuss this further with you. Each person's individual circumstances are different and we are happy to assist you in making an informed decision.

20 MINUTE FREE

**WANT to review your Family Trust structure?
THEN call us and take advantage of our 20 Minute Free interview**