



PAYSAFE NEWS



WELCOME

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Ok, time for a bit of an update on what has been going on here at Paysafe. As I am sure that most of you are aware we have now moved the business to its new location in Port Melbourne. The business was located at Camberwell, and had been there for many years. That property was owned by Rod and Noel and they wanted to sell the property as a part of their retirement package.

We needed to find a location that was reasonably central and all on one level, there was nothing of that nature available in the inner Eastern Suburbs, so Port Melbourne had all the features we needed.

Now, I do understand that this location might not be convenient for everyone, but, we needed to make a decision and that decision has been made.

As of this week we have finished furnishing the new premises, we have ample parking and our new signage should make us easier to find.

Our team has now grown with Kerry joining us in June. I have attached a bio for Kerry, she is a really enthusiastic and pleasant to deal with team member accompanying Cigi and Lesley.

At the new Paysafe we have a few service standards that we are proud to uphold, for example:

- We will answer the phone within three rings.
- We will always get back to you with an answer within 24 hours.
- Andrew might be in a meeting – but he will always call you back.
- We will process withdrawals on the same day.
- We do our absolute best to not keep you waiting when you have an appointment.
- We will always tell you the truth and act in your best interest.

The only thing that we ask of you, as a client, is to be kind, thoughtful and polite to our staff who are there to help you.

KERRY CHAVES - ADMINISTRATOR

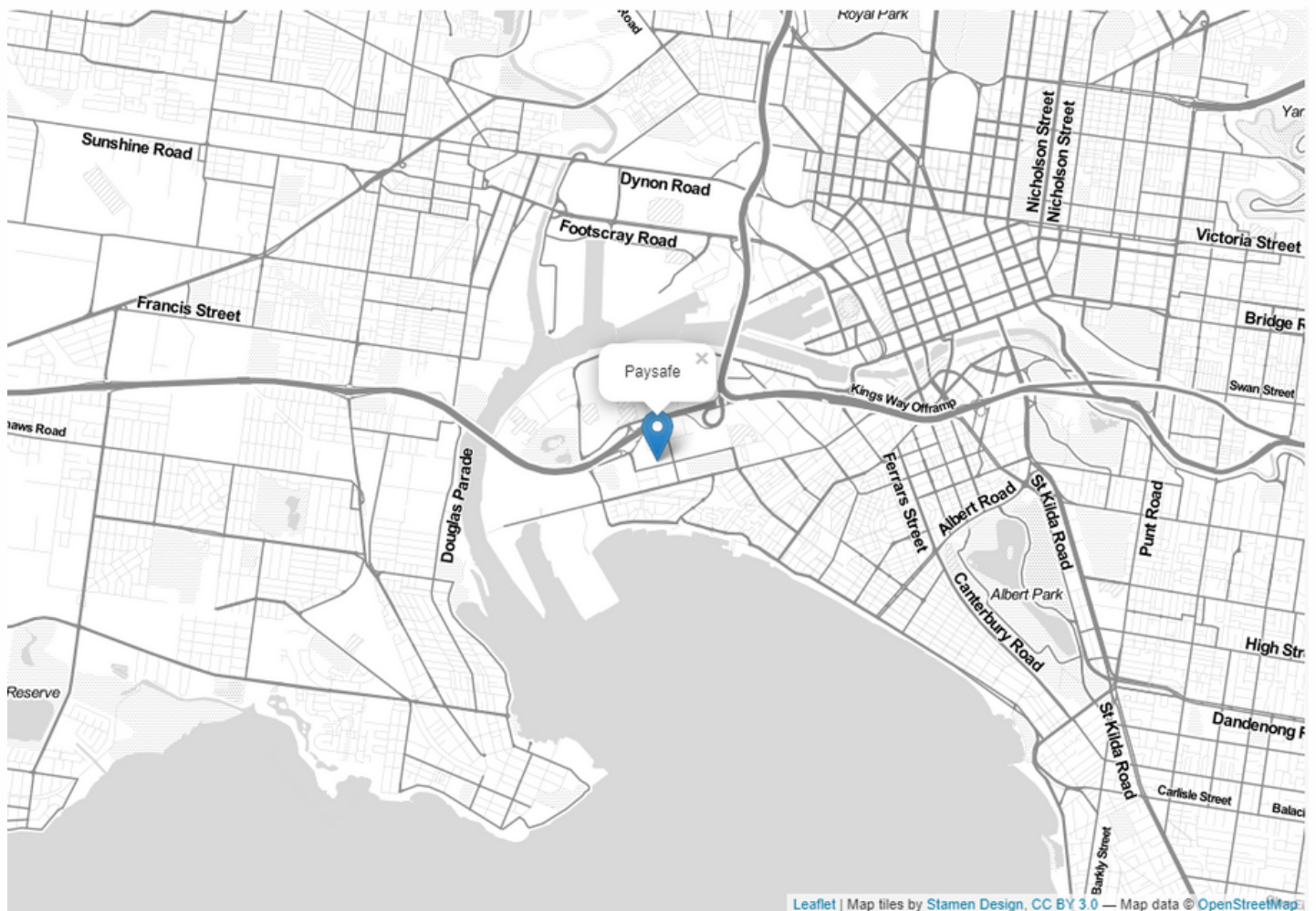


Kerry has joined the Team recently and is enjoying her time in the Financial Services Sector.

She has a strong customer services skill set and is focused on creating a welcoming experience for each and every client.

Outside of work, she enjoys spending time with her family, her dogs and dining out.

LOCATION





FINANCIAL PLANNING - WHY UNDERSTANDING YOU IS SO IMPORTANT TO US

One common question we are always being asked is “why do you need to know all this information about me?”

The answer is part legal and part common sense. The Law that oversees the business of Financial Planning is the Corporations Act and that Act is administered by the Australian Securities and Investment Commission (ASIC).

Corporations Law dictates that an adviser have a thorough understanding of:

The objectives, financial situation and needs of a client that would reasonably be considered relevant to the subject matter of advice sought by the client.

So, ASIC really dictates what we need to do when providing you with advice.

Now, I do say that the collection of information about you is also common sense. By understanding what it is you are trying to achieve we can then tailor a solution that will work for you. It's a bit like saying “well I don't know anything about you, and I don't know what you are trying to achieve but here is a financial product that might work”

By us getting to understand you, who you are, what you like and don't like we are able to find the right solution – so please don't be concerned when we ask you personal questions – we are really only trying to help.

CHANGES TO FINANCIAL PLANNING REGULATIONS

On December 16th 2022 Michelle Levy delivered her Quality of Advice Review to the Government. This was a review ordered by the Government in 2021 to review the process by which financial planners deliver advice to their clients.

The Government had become concerned that the provision of advice had become too complicated, and, as a result the advice process had become too expensive for the average client to afford.

On June 7th 2023 Stephen Jones responded to Michelle Levy's recommendations in her Review. The result is that the Government will implement 14 of the 22 recommendations made by Levy, these include:

- Abolishing the safe harbour steps for meeting the Best Interests Duty
- Replace the Statement of Advice with a financial adviser record
- Simplifying fee consent and renewal requirements
- More flexible requirements around the displaying of Financial Services Guide (FSGs)
- Standardising consents for determining wholesale and sophisticated investors
- Tightening the ban on conflicted remuneration and consent requirements for commission in life insurance.

The main impact that our clients will feel is in a simplified Statement of Advice. No longer will you be required to troll through 50 pages of advice - a welcome change. A second impact will be simplified annual fee renewal documents.

Overall, it will lead to a simpler and fairer way of delivering high quality advice to you.

REFERRING OTHERS

Whilst we do give an outward impression of being frantically busy, we still have room to grow. Don't forget that financial planning works best when you are young.

So, if you like what we are doing for you please feel free to refer your family and friends. Below is a quick case study of where a referral would have made all the difference.

Dennis and Margaret are retired (assume they are clients of Paysafe).

They have 2 children Richard and Catherine. Richard is married with 2 children of his own. Catherine is still single. On a short vacation Richard and his wife Jodie are involved in a serious accident from which Richard does not survive and Jodie is disabled.

Richard and Jodie both had superannuation funds but neither had paid any attention to the insurance inside those funds. Richard was insured for \$120,000 in the event of death and Jodie had no insurance at all.

The insurance payout for Richard does not nearly cover the home mortgage of \$380,000. Jodie is unable to make ends meet and becomes reliant on Dennis and Margaret depleting their retirement funds.

If Dennis and Margaret had of referred Richard and Jodie to Paysafe we could have structured an insurance program inside their super funds to pay \$800,000 in the event of death and disability – easily covering the mortgage and providing funds for Jodie to remain independent and educate the children.

Have a think about it. Most super funds only offer “default” insurance cover which is always well below what is needed.

AGE PENSION ELIGIBILITY - DO YOU QUALIFY?

The Age Pension provides core funding for about seven out of ten Australian retirees. Currently around 8 in every 10 people over the age of 65 receive some level of age pension.

Centrelink, as the delivery agency for Services Australia, calculates your entitlement based upon a means test. There are two separate parts to this assessment – the income test and the assets test:

How does the Age Pension Means Test work?



1 First, your *Income* is assessed



2 Then, your *assets* are assessed



3 Once both are assessed, the *lower calculated amount* is your pension payment

So, first let's have a look at how the incomes test works:

You are entitled to a full pension when your income is equal to or less than*		You are not entitled to a pension when your income as assessed by Centrelink exceeds	
Single	Couple	Single	Couple
\$204 per fortnight	\$5,304 per year	\$2,332 per fortnight	\$60,632 per year
Single	Couple	Single	Couple
\$360 per fortnight	\$9,360 per year	\$3,568 per fortnight	\$92,768 per year

Income sources include:

- Employment income
- Rental Income
- Business Income
- Income from Pensions payable as defined benefits pensions.

However, Centrelink does NOT assess the income you actually receive on your financial assets (e.g. bank accounts, shares, bonds, loans, superannuation, etc). To make the assessment process simpler Centrelink 'deems' (calculates) the income they include in the Income Test from your financial assets. The current deeming rates are 0.25% on your financial assets up to \$60,400 (Singles) or \$100,200 (Couples) and 2.25% on your financial assets over these thresholds.

The second "test" that applies is the "Assets Test":

You are entitled to a full pension when your assets are equal to or less than*		You are not entitled to a pension when your assets exceed	
Homeowner (Single)	Non-Homeowner (Single)	Homeowner (Single)	Non-Homeowner (Single)
\$301,750	\$543,750	\$656,500	\$898,500
Homeowner (Couple)	Non-Homeowner (Couple)	Homeowner (Couple)	Non-Homeowner (Couple)
\$451,500	\$693,500	\$986,500	\$1,228,500

Both tests are applied and the test that provides the lowest Age Pension entitlement is the test that is applied.

Age Pension entitlement is as follows:

Single		Couple	
\$1,064 per fortnight	\$27,664 per year	\$1,604 per fortnight	\$41,704 per year

The base rate of the Age Pension is recalculated every March and September. The new rates are published on or about the 20th of March and September. The base rate is indexed using a mix of three different measures; Consumer Price Index, Pensioner Beneficiary Living Cost Index and the Male Total Average Weekly Earnings.

So, if you think that you are getting close to qualifying it is important that you get in touch with us and allow us to help you with the application.

DISCLAIMER

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