



# Challenger CarePlus

Peace of mind for your clients moving into aged care

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## Peace of mind for your clients moving into aged care

With life expectancy on the rise, an increasing number of people will need aged care advice. The transition into aged care can sometimes be a difficult time for your client and their loved ones. The uncertainty around where to move, how much it will cost and where the money will come from can be overwhelming and stressful for everyone involved.

With an extensive range of tools and resources on offer, as well as our tailored CarePlus investment solution, you can be better equipped to guide your clients through their next life stage and help them achieve peace of mind.

## About Challenger CarePlus (CarePlus)

CarePlus provides fixed monthly payments for the lifetime of the person requiring aged care (to assist with the ongoing costs of care) and returns 100%<sup>1</sup> of the amount invested to their nominated beneficiaries or estate when they die.

### Here's what your client will receive:

- guaranteed monthly payments for life;
- 100% guaranteed death benefit payable to the nominated beneficiary(ies) or estate<sup>1</sup>; and
- potential increase in Age Pension and a reduction in aged care costs.

## Who is CarePlus suitable for?

CarePlus is designed for people receiving, or planning to receive, Government-subsidised aged care services (including both home and residential care), or who are living in an approved residential aged care facility. The minimum investment in CarePlus is \$10,000.

## How does CarePlus work?

CarePlus is a combination of two separate products, which together provide the above CarePlus features. By investing in CarePlus, your clients are investing in both the CarePlus Annuity and CarePlus Insurance.



### CarePlus Annuity

Pays you guaranteed income for life, regardless of how long your clients live or how investment markets perform. It has a withdrawal value and a guaranteed death benefit for a period based on your client's life expectancy.

### CarePlus Insurance

Tops up your client's CarePlus Annuity death benefit so that their nominated beneficiaries or estate receive a lump sum death benefit that in total equals 100% of the amount invested into CarePlus.<sup>1</sup>

<sup>1</sup> If the policy owner is a resident of South Australia at the time of investment, the death benefit will equal 100% of the amount invested less the amount of state stamp duty paid by Challenger on their behalf.

## Why CarePlus?

Compared to alternative investments such as term deposits and investment bonds within a family trust, CarePlus may provide a greater range of benefits for those in aged care.

	Term Deposit	Investment Bond in a Trust	CarePlus
Efficient interaction with income test	✗	✓	~
Efficient interaction with assets test	✗	✗	✓
Efficient interaction with aged care fees	✗	~	✓
Provides cash flow to pay fees	✓	✗	✓
Estate planning certainty	~	✓	✓
Tax free death benefits	✓	✓	✓
Provides known death benefit amount	✓	~	✓
Guaranteed income/return	✓	~	✓
Tax effective income	✗	~	✓

Key ✓ Always ~ Sometimes / assists ✗ Never



## Security of guaranteed regular payments for life

CarePlus provides a secure source of income for the life of the investor to help fund their aged care costs and living expenses. It gives them the comfort of knowing they will receive regular, fixed monthly payments for their lifetime, regardless of how long they live or how investment markets perform.



## Certainty and control over the estate planning process

Challenger will pay 100% of the amount invested to the investor's nominated beneficiary(ies) or estate. The lump sum can generally be paid within two days once all requirements are met. This can be beneficial for clients who may wish to by-pass the estate and streamline what can be a lengthy process.

There is no tax payable on the death benefit when it is paid to the estate/nominated beneficiary(ies).<sup>2</sup>

Multiple beneficiaries can be nominated (in specified or equal proportions) and the nomination of beneficiaries can be changed at any time. If the investor does not nominate a beneficiary, or the beneficiary dies before the investor, the death benefit will be paid to their estate.



## May increase Age Pension and reduce the costs of aged care

After investing in CarePlus, any Age Pension your client receives may increase and the amount they pay for aged care may reduce. CarePlus achieves this because:

- when your client invests in CarePlus, they receive an instant reduction in the amount of their assessable assets considered for the Age Pension assets test; and
- only part of the income they receive each year from CarePlus is assessable income for the Age Pension income test.

Your clients' assessable assets and income are also what partly determine the costs of Government-subsidised care. So a reduction in their assessable assets and income may also reduce the amount they pay for aged care.

<sup>2</sup> If the investor is a resident of South Australia at the time of investment, stamp duty equal to 1.5% of the insurance premium paid will be deducted from the sum insured before it is paid to nominated beneficiaries or the estate.

## Why Challenger CarePlus?

An innovative aged care solution providing your clients with:



Guaranteed regular payments for life to help pay aged care costs



Certainty and control over estate planning outcomes



May increase Age Pension and reduce the costs of aged care

As with all investments, CarePlus carries some risk. The key risks and how they are managed are described in the PDS. You should read the PDS and consider the suitability of the product for your client's circumstances.

## We're always ready to support you and your clients

Challenger has a range of aged care tools to help you and your clients with their aged care planning, including calculators, videos and case studies. To access them or find out more:



Visit [challenger.com.au](https://challenger.com.au)



Log in, or register for AdviserOnline at [adviseronlineportal.com.au](https://adviseronlineportal.com.au)



Speak to your Challenger BDM



Call Adviser Services Team 13 35 66

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