

Navigating Life's Financial Crossroads

Background

A recently divorced 50-year-old mother of two approached Heard Financial during a period of major personal and financial transition. While she owned her home outright and held substantial cash assets, her part-time income was insufficient to cover living expenses, and her finances lacked tax efficiency. She sought a clear, tailored plan to provide income certainty, reduce tax, and build long-term financial independence for herself and her family.

Challenges Faced

Our client, a recently divorced 50-year-old mother of two young children (aged 10 and 8), came to Heard Financial during a significant period of transition in her life.

She owned her home outright and was debt free, but her financial position felt uncertain. Following the divorce, she held approximately \$3.7 million in cash across bank accounts, had a modest superannuation balance, and was working part-time on a contract basis. Her income was not sufficient to cover her ongoing living expenses, and she had already drawn down on a previously established Farm Management Deposit to fund the shortfall — triggering unnecessary tax along the way.

Despite having substantial assets, she felt unsure and anxious about how best to structure her finances to:

- Generate a reliable income
- Reduce tax
- Protect and grow her assets
- Provide long-term financial security for herself and her children

She was seeking clarity, confidence, and a clear plan forward.

The Turning Point

While the client appeared financially well positioned on paper, her situation was complex.

Holding a large amount of cash without a clear strategy meant:

- Ongoing and potentially significant tax exposure
- Missed opportunities to use the superannuation environment effectively
- Uncertainty around long-term income sustainability
- No access to government support in retirement due to asset levels

Emotionally, the challenge was just as significant. After a major life event, the client wanted reassurance that she was making the right decisions — not just for today, but for the future independence and wellbeing of her family.

Smart, Flexible Planning for Long-Term Security

We began by developing a clear understanding of the client's personal circumstances, priorities, and concerns. From there, we identified that tax efficiency and income certainty would be critical to achieving her long-term goals.

Our strategy focused on creating a structured, flexible financial roadmap that would:

- Provide a regular and reliable income
- Significantly reduce ongoing tax
- Optimise the use of superannuation as a long-term planning tool
- Adapt over time as the client's circumstances evolve

Key elements of our advice included:

- Structuring her assets to minimise tax leakage over time
- Making greater use of the tax-effective superannuation environment
- Working closely with her accountant to determine the maximum allowable tax-deductible super contributions
- Designing a long-term plan that aligned spending needs with investment and tax strategies

This collaborative approach ensured the advice was both practical and fully aligned with the client's broader financial position.

Our team worked closely with her accountant and remained available throughout the process, ensuring every decision aligned with her goals.

The Results That Matter

The impact of the advice was immediate and measurable.

In the first year alone:

- The client **saved an estimated \$56,000** in tax
- Her superannuation balance **increased by an estimated additional \$15,000** as a result of the new strategy

Beyond the numbers, the client now has:

- A clear, structured plan to meet her ongoing spending needs
- A tax-efficient strategy designed to grow wealth over the long term
- Confidence that her financial affairs are working for her, not against her

Importantly, the plan was built with flexibility in mind, allowing it to adapt to future changes in income, legislation, or personal circumstances.

The Difference We Made

What began as financial uncertainty has been replaced with confidence and peace of mind.

The client now knows:

- Her income is sustainable and reliable
- Her tax position is optimised
- Her assets are structured to support long-term financial independence
- She has a tailored strategy that supports both her needs and those of her children

Just as importantly, she values having a trusted advisory team that is proactive, responsive, and genuinely invested in her financial wellbeing.

Her words say it best...

"Working with Heard Financial has given me clarity and confidence at a time when I really needed it. Knowing I have a tailored plan in place that provides income, reduces tax and supports my long-term security has been incredibly reassuring. I feel supported and confident about the future."

With Heard Financial, you're in safe hands.

Let's talk about your needs

reception@heardfinancial.com.au
08 7070 1600

93 Frome Street, Adelaide,
South Australia 5000