

One Strategy, Two Secured Futures

Background

An elderly mother navigating a late-life divorce faced the risk of losing her Age Pension after receiving a significant settlement. At the same time, her adult son—who was also her primary carer—had limited retirement savings and financial flexibility. The situation required careful planning to protect income, provide long-term housing security, and support the financial wellbeing of both mother and son.

A Look at the Situation

The client was an elderly Age Pensioner navigating a divorce later in life. As part of the divorce settlement, the family home was required to be sold, leaving her without a permanent place to live and facing uncertainty about how to fund her future living arrangements.

Upon settlement, the client was expected to receive approximately **\$900,000**. Holding these funds in her own name would likely have resulted in the loss of her Age Pension, which was essential in meeting her ongoing living costs.

The client preferred not to live alone and wished to live with her adult son, who had been providing care during her separation. The son owned his home outright but had **minimal superannuation**, worked in a casual capacity due to caring responsibilities, and had limited ability to build retirement savings.

Why They Needed Guidance

The family faced multiple, interconnected challenges at the same time:

- The mother risked losing her Age Pension after receiving the divorce settlement
- She required a stable, supported living arrangement without living alone
- The son wanted to continue caring for his mother but lacked retirement savings
- All strategies needed to comply with Centrelink assessment rules

Without specialist advice, there was a real risk of reduced income, long-term financial insecurity, and missed opportunities to structure assets effectively for both parties.

How We Brought Clarity to Complexity

Heard Financial conducted a **comprehensive review of the family's financial position, Centrelink entitlements and long-term objectives**—focused on preserving government benefits, improving retirement outcomes and providing housing security. The advice was tailored specifically to their family's needs, ensuring both mother and son were protected financially now and in the future.

Key strategies implemented included:

- The mother made a **\$300,000 downsizer contribution** into a newly established superannuation account. Funds were invested conservatively in a concessionally taxed environment.
- An independent valuation of the son's home was obtained. The mother then purchased **50% ownership of the property for \$600,000 at market value**.
- Ownership was structured as **Joint Tenants**, ensuring the property would pass automatically back to the son upon her death.
- The transaction was structured as an **arm's-length arrangement, accepted by Centrelink**, allowing a significant portion of assets to move from assessable to non-assessable.
- The son contributed **\$480,000 into superannuation across two financial years**, significantly strengthening his retirement position, while retaining additional cash to support living costs as a full-time carer.

Heard Financial also **liaised directly with Centrelink and the conveyancer** to ensure the strategy was implemented accurately and compliantly.

The Results That Matter

The strategy delivered security and confidence for both mother and son:

- The mother **retained and increased her Age Pension**
- She **secured long-term housing** with family support
- Her funds were structured to provide **income, flexibility and financial certainty**
- The son **dramatically improved** his retirement position

Both clients gained **clarity, confidence, and long-term financial security** during a highly stressful life transition.

Financial Wins at a Glance

- Mother's Age Pension increased from a potential **\$0 to \$30,646** per annum
- Increase of **\$7,545 per year** compared to her previous pension as a member of a couple
- Son's superannuation balance increased **from \$141,000 to \$621,000**
- Son **retained \$120,000 in cash** to support living costs while acting as full-time carer

This strategy meaningfully improved the long-term financial outlook for both generations.



The Difference We Made

The advice provided both **financial and emotional security**.

The mother gained confidence that she would remain **financially independent**, maintain her income, and receive ongoing care from her son while ageing in a familiar environment. She also gained comfort knowing she had helped strengthen her son's financial future.

The son gained **peace of mind** knowing his mother was financially secure and that he could continue providing care without compromising his own long-term retirement prospects.

In Their Own Words

"When we met with Paul, we had a lot of questions and worries. We listened to a lot of people, and we didn't understand what the impacts of the divorce meant.

Paul sat down with us several times and was never in a rush. He took as long as was needed to calmly explain everything to us. He answered everything that we asked him clearly and in a way that we understood. He didn't speak in technical talk and made sure that we understood everything before we proceeded to the next item.

Paul's advice to us was amazing because he was able to use strategies that have allowed us to go from being stressed about the future, to one where we are both confident that we will live comfortably and have security.

The strategy of allowing the home ownership to be split in return for the payment of funds to then be invested was something that we never thought was possible and it showed that Paul was thinking outside the square to get us both the best result in the long term.

We are extremely grateful to Paul for his time, efforts and advice."

— Client's son

**With Heard Financial,
you're in safe hands.**

Let's talk about your needs

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