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MCP Wealth Management Pty Ltd

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EDITORIAL

How do you protect your livelihood in retirement?

Do you have a will?

Will it protect your business from falling into the hands of the unknown?

Read on to see some simple strategies you can consider when thinking about your future and the future of your family.

These questions, and more can be answered when you book an appointment with MCP Wealth Management.

Protect your livelihood in retirement

Introduce your adult children to your financial adviser today.

Have you considered what would happen to your retirement plans if you suddenly needed to take over the full time care for your grandchildren because their parent, your adult child, suffered a traumatic illness, became disabled or passed away? Importantly, could you afford the \$812,000 that AMP and Natsem (*³) reported is necessary to raise two children, on your retirement income?

95% of families do not have adequate levels of insurance *¹, and a recent report *² indicates that most Australians don't know the extent of the cover within their policies or if it is appropriate for their circumstances.

An unexpected illness or sudden death of an adult child is not just emotionally devastating, but it could also have enormous impacts on your financial wellbeing and that of your grandchildren.

As you know, raising children can be expensive and a recent report estimates that it costs \$812,000 to raise two children from birth to age 18*³. The Census of Population and Housing 2011, cites there are 46,680 Grandparent families in Australia, with 29,880 of these families looking after dependent grandchildren. 61% of these grandparents are 55 years of age or older.*⁴

Could you afford to provide the financial support required to raise your grandchildren, and/or care for your adult child, should the worst happen?

The answer is probably a resounding NO, even if you were to forego all your retirement plans.

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Protect your livelihood in retirement (cont...)

You can help your adult children, and protect your own financial position, by starting a conversation about the 'what ifs' and informing them of the benefits of personal risk protection strategy that considers Income Protection Insurance, Trauma Insurance, Life Insurance and Total and Permanent Disability Insurance.

Better still, personally introduce your adult children to your financial adviser and in doing so, protect your future by helping your adult children to protect theirs.

Contact your Fortnum Adviser today and help your adult children to financially protect themselves, and you, from the impacts of illness, accident or an untimely death.

1. Lifewise/NATSEM Underinsurance Report – Understand the social and economic cost of underinsurance Feb 2010
2. Zurich Insurance, Research Whitepaper, February 2014
3. AMP/Natsem (National Centre for Economic Modelling) May 2013
4. Aph.gov.au

Creating a Will for your business

Create a "Will" for your business to shore up arrangements for a buy-out and nominate the triggers that could warrant such emergency action.

Failure to implement a business protection strategy could lead to conflict or confusion regarding the fate of a vacated shareholding which could also jeopardise the future of your business.

The process of creating a Will for your business begins with you and your fellow shareholders identifying and consolidating the triggers which may include death, disability, divorce or fraud that could warrant the buy-out of a shareholding.

These scenarios relate to an "involuntary exit" from the business, but you also need a plan for a "voluntary exit" should a shareholder wish to transition to retirement or explore an alternate career path.

For more information about creating a Will for your business, contact our office on **(08) 8232 8155** or **admin@mcpwealthmanagement.com.au**

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