



Peace Through Service

Guest Speaker - John O'Kelley - Modern Financial Planning

Intro: John K

Thanks: Des T

Our guest speaker this week was John O'Kelley who spoke about financial planning. He presented two different strategies for managing your money. The first was in relation to getting a pension, he said if you are just missing out on getting a pension due to income and assets then you could use a Recasting Strategy. He gave us the example of a client who had gone to Centrelink to enquire about applying for a pension. He and his wife had \$700,000 in assets, \$73,000 in income and a property worth \$500,000 they were told they would not be eligible. This is because Centrelink assess on life expectancy after retirement. For example a man at 60 is considered to have a life expectancy of approximately 22 years and a woman at 60 has approximately 26 years. The purchase price, what your super is worth over time, is divided by the life expectancy to establish you eligibility for a pension. To alter this outcome you can put your pension fund (super) back into a Superannuation fund and withdraw it again back into a pension fund. This can all be done on the same day but what it means is it changes your life expectancy equation. At 65 a man's life expectancy is reduced to 18.5 years and when this is applied to the Centrelink equation it creates a larger exempt amount when assessed which can create a pension eligibility. The couple in the example ended up with an annual pension of \$17,000 between them plus all the entitlements and concessions a pension also provides.

The second strategy is utilising an offset account. An example of how an offset account works is you borrow \$500,000 for a mortgage and you have \$100,000 in an offset account you only pay interest on \$400,000 of the loan. John said it is better to have your cash in an offset account than in a term deposit because most mortgages have an interest rate around 5% to 6% so this is about the amount you are offsetting. If you take this idea further you should be putting all your monthly income into an offset account and putting all your living expenses on a credit card as interest is calculated daily and charged monthly. You then pay off the card amount before the end of the 30 interest free period from the offset account. What this means is you are paying off your debt quicker.

For further advice or information about pensions, offset account or investments you should make contact with a financial planner so advice can be specific to your needs.



John & Wolfgang



Pres Richard & John



Des & John

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PEACE THROUGH SERVICE

3 Minuter

The 3 Minuter this week was present by John C. His discourse was on why the guest speakers financial planning topic should be based on the TV program Downton Abbey. This is because if you peel back the period costumes and the soap opera Downton Abbey is a sage of financial planning, asset protection and preservation. Preventing wayward offspring, accidents, wives and girlfriends dissipating the family fortune with the unintended consequences of being inflexible, unable to accommodate changes in the business environment and needs of the family. For anyone who has seen even a smidgen of Downton Abbey you will have noted the constant reference to the entail and the preoccupation with the predicament faced by the family in the event of the demise of Robert, the current Earl of Grantham, the family will be thrown out of their current accommodation. The family fortunes can be saved if one of Robert's daughters manages to marry Matthew Crawley, the next in line to the family fortune. He is a cousin but sufficiently distant not to be a concern to the church. Way back in feudal times those that have acquired wealth and influence didn't want to see their property dissipated by wayward children, wives or girlfriends. The main preoccupation was the land because agriculture was seen as the source of wealth and one of the favourite financial planning tools of the day was to create an entail. Many generations prior to the current Earl, his forebears created an entail which would have been a bequest to one of his ancestors "to the male heirs of his body". This meant the great estate and mansion passed down the generations to the eldest legitimate male child. No incumbent has anything more than a life interest in the property because they cannot mortgage, sell, lease or deal with it in any way because any transaction is limited to the life of the incumbent and therefore has no commercial value. The tenure of the family is entirely dependent upon their association with each successive male heir. So the way this has played out in Downton Abbey is that for generations the estate has gone from eldest male heir to eldest male heir but that terminates with Robert because he had the misfortune to produce only girls. This meant that a search had to go back generations through the family tree to ascertain the next male heir. This search found the estate will pass to Matthew Crawley hence the need for him to become part of the Downton Abbey household. Having snared him, Matthew has produced a male heir which ensures the ongoing tenure for Robert's family. So there you have it, financial planning dressed up in a period costume called Downton Abbey.

Photo Gallery



John K



Rosemary K & Linda O'Kelley



Katrin & Mark J-N



Ashley & Brenda



Lou & Kevin



Rosemary & John K

THOUGHT OF THE WEEK: Margaret H

There is a past that is gone forever but there is a future which is still our own.

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PEACE THROUGH SERVICE

**WE MEET WEDNESDAYS 6.00PM FOR 6.30PM
AT DODDS HOTEL, COMMISSIONER ST. COOMA**

THIS WEEK'S NEWS

What are you doing 1 - 4 June 2014? How about going to the 2014 Rotary International Conference being held in Sydney. Plans for 11 - 13 October 2013? Merimbula is calling you to attend the District Conference details are available on Clubrunner.

Monica Alcock will be attending the next 3 meetings arriving around 6pm to enable all members to complete a NSW Working with Young People Declarations. Please ensure you have a photo ID to enable the forms to be fully completed. These forms need to be completed even if you have filled them out for other organisations.

The 5 cent challenge is still happening so don't forget to bring your 5 cents to the meeting. You are contributing to something good. The current balance is increasing.

**The Change Over Dinner is on 26th June at the Alpine Hotel, 6.30pm for 7.00pm start.
Cost \$25/head plus drinks.**

The Tuggeranong Change Over dinner is on 28th June, \$30/head plus drinks, see Katrin for further details.

Details for the Bombala Change Over dinner will be forthcoming.

Peter D is heading back to PNG to take care of a couple of small water projects, one is to add an outlet to an existing pipeline that Cooma Rotary installed last year. A home has been built by the pipe and the homeowner offered to install his own outlet using an axe. Peter thought it would be better if he did it. The other is in a village near the Kokoda track, the pipeline has been damaged by rocks coming over a water fall. Peter has arranged for some new pipe and it is waiting for him when he gets back there.

This Weeks Attendance: 30 out of 37 = 70%

Visiting Rotarians: Neil Russell - Southport

Guests: John O'Kelley (Club), Linda O'Kelley, Rosemary King (John K), Kathryn R & Jacob (Neil R)

Apologies: Neil B, David B, Jim H, Elaine S, Joe V, Lea.

Leave: Chris A, Peter A, Graham F, Steve S

We Also Missed: None

Make-ups: None

**The Rotary Club of Cooma
The Secretary
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E-Mail: coomarotary@home.netspeed.com.au**

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PEACE THROUGH SERVICE

ROSTERS	June	July
Attendance	Patrick K Claire N	Rob Des
Property	Geoff B Wolfgang	Brian Elaine S
Fellowship	Margaret E Claire N	Margaret E Claire N
Markets	David H - Co-ord Alyson H-J - PA Marco - Res John K - V Joe V Mark C Elaine S Tom B	David H - Co-ord Alyson H-J - PA Peter A - Res Wolfgang - Van Elaine M Dave L Mark C Hass

SOME SIMPLE RULES ABOUT ROSTERS

GENERAL

Members rostered on and not able to attend are to make arrangements with another member to take their place.

MARKETS

Those nominated to tow the caravan or chuck wagon are to be at the Rotary shed no later than 7am. Ensure you get the key to the shed from David Holgate PRIOR TO THE EVENT so the equipment can be set up early. If you are unable to tow the van or chuck wagon PLEASE ASK SOMEONE WHO CAN, or advise David Holgate before the event. Others nominated should be at the park by 8.30am.

Upcoming Programs	Three Minuter	Thought of the Week
Guest Speaker: Lea Nickel - Her Year in Australia Intro: Mark C Thanks: David B	19 June - Jasmine Bujalski 26 June - Change Over Dinner	19 June - Claire N 26 June - Change Over Dinner

Upcoming Guest Speakers - 26 June - Change Over Dinner - Alpine Hotel
- 03 July - David B - His trips to South America

MEMBER HAPPENINGS

BIRTHDAYS	ANNIVERSARIES	YEARS OF SERVICE
Joe V - 3 June	Graham & Helen French - 2 June	John K - 1 June
Kevin D - 6 June	Les & Jan Sutcliffe - 27 June	Elaine S - 1 June
Brian J - 8 June		Graham F - 16 June
Chris A - 12 June		Neil B - 27 June
Marco R - 14 June		Mark J-N - 27 June
Steve S - 18 June		Chris A - 28 June

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