

<Date>

<Contact name>

as EPOA for <client name>

Dear <Contact Name>

**Fee for Service –Aged Care - Letter of Engagement**

This letter confirms the terms of your engagement of **Nixon Financial Services Pty Ltd, (ACN 128** **864 568)** to provide you with Aged Care Financial Planning services. The entities to be provided with Financial Services are listed in Schedule A.

This letter also confirms the terms and conditions on which we will provide our services to you. More information regarding our services is set out in the Financial Services Guide (Part 1 and 2) presented to you by **Bob Nixon,** your adviser in this matter.

**Information gathering**

As part of our engagement, you will provide us with complete and up-to-date information about the personal circumstances and objectives. Once all the relevant information has been assessed, we will analyse your present financial situation, which may include all assets, liabilities, current and projected cash flow, investment portfolios, and your tax and estate planning situation.

On the basis of the information you provide we will work with you to produce a Statement of Advice and recommend a course of action. Your Statement of Advice (SoA) will refer to your specific circumstances, including cash-flow needs and income management, funding alternatives including asset management, estate value projections, tax implications, and where excess cash or other assets are involved we will also advise on preferred asset allocations and portfolio management.

**Work to be completed**

The services to be provided at your direction may include:

1. Data collection including evidence where available of an authority to act, Centrelink/DVA assessments, ACAT ratings
2. Preliminary outline of how the system works
3. Assistance in preparing Form SA 457 if required
4. Preparation of up to 5 alternative strategies, discussion and re-working if necessary
5. Placement of monies in various financial products to enhance the outcome if required (embedded fees may be generated and will be disclosed in SoA)
6. Final preparation of the Statement of Advice based on the preferred strategy
7. Presenting the plan to extended family members and explaining the basis for selecting the chosen strategy and outlining estate planning impacts
8. Assistance in finding suitable accommodation
9. Negotiating with the accommodation provider on fees and charges
10. Ongoing management of investment assets (see Financial Services Guide Part 2 for details of costs involved)

This letter of engagement does not cover the provision of any other services or provide any guarantee for the provision of these services by a third party, however we would be pleased to discuss other required services which may be required.

**Who will do your Work**

The required work will be carried out by myself as your financial adviser, Bob Nixon, with the assistance of the staff at Nixon Financial Services. We may utilise other staff and external professionals, as appropriate. The staff or other professionals will, in our professional opinion, be suitably qualified for any task we assign them.

We will request authorisation from you whenever it is necessary to act on your behalf. We will ask for your consent in respect of every action we take and will consult with you regularly. We will also consult with you prior to proceeding with any recommendations for the purchase or sale of any investments.

**Fees**

Fees charged to you will be calculated by reference to the time spent and the hourly rate of the adviser responsible for undertaking the work in relation to this matter.

The hourly rate is calculated on a time basis and my hourly rate as a Senior Financial Adviser and Accredited Aged Care Professional™ is $300 per hour plus GST. I may seek assistance from specialist staff within my office whose hourly rate is as follows:

|  |  |
| --- | --- |
| **Staff** | **Hourly Rate ($)** |
| Associate Adviser | $200 plus GST |
| Paraplanner | $100 plus GST |
| Administration Officer | $65 plus GST |
| Junior | $35 plus GST |

You will appreciate it is difficult for us to provide you the total fee before we complete the agreed services, an estimate of the time it will take in completing the services. This is because our fees allow for:

1. the nature and timeliness of the information you provide;
2. whether the information has been provided to us in a format which facilitates entry into our planning software;
3. your availability to respond to any questions we may have on the information you have provided;
4. the complexity of the issues involved; and/or
5. the seniority of the staff member allocated to undertake the services

Please note that any estimate we provide will assume there are no unexpected complications or undue delay in the provision or quality of information.

Our experience in this work allows us to estimate that the cost of these services will be between $1400 and $3000 plus GST.

**Reviews and Updating Advice**

Future changes in your circumstances may occur that requires a re-evaluation of your position and in that situation, upon your request, we will take on updated information and prepare a fresh Statement of Advice.

This service will be provided to you at the hourly rates applicable at the time of the new service. An estimate of fees will be presented to you at that time.

**Changes in Fees**

Generally our fee rates will change effective 1 July each year. The new rates will take into account the costs we incur in ensuring suitably qualified staff are available to provide the services and other general cost pressures in the market place.

You will be required to confirm acceptance and agreement of any change proposed within 14 days of receiving notice.

**Expenses**

We do not charge for reasonable levels of internal office expenses such as photocopying, printing, local telephone calls and faxes. If significant costs are incurred, we reserve the right to charge you for these costs.

We will pass onto you the following charges (at cost) for external expenses incurred by us:

1. External Photocopying;
2. Courier costs;
3. Costs incurred for obtaining statements or other information from fund managers; and
4. Other external expenses as agreed with you.

**Completion of Work**

To be fair to each of our clients, services will be provided to you at our earliest opportunity.

Where a delay is anticipated, we will notify you, either in writing or via phone, of the delay and the estimated time for the completion of the work. Where the services to be provided are time critical, priority will be given.

**Third Party Expenses**

If it becomes necessary or advisable in providing our services to obtain assistance of third parties, such as solicitors, barristers, consultants or expects, we will not employ anyone without your prior permission.

In instances where we engage a third party we will pass on to you the actual costs incurred from any such third party.

**Goods and Services Tax (GST)**

All amounts payable by you to us or third parties engaged by us on your behalf for the provision of services is inclusive of Goods and Services Tax (GST).

You must pay all GST, without deduction or offset, in additional to all other amounts payable by you to us or a third party. The amount of GST payable by you will be calculated by multiplying the money payable for the provision of services by the current GST Rate (presently 10%) and be payable when you are required to pay for the provision of services.

We will issue a tax invoice for any services provided by us to you, which will enable you, if permitted by GST law, to claim a credit for the GST paid by you. If GST is payable for the provision of services by a third party, we will request that party to provide you with a tax invoice.

**GST exempt Taxes, Fees and Charges**

Certain Government taxes, fees and charges are exempt from GST. If we incur any such fees or taxes when completing the work, any GST amount charged will be refunded to you.

**Fees Notes**

You have a right to receive an invoice of our costs for work undertaken on your behalf. Generally, a tax invoice will be provided to you, either personally or via mail, on the conclusion of both the initial and ongoing service. Providing you with the tax invoice is designed to:

1. Enable you to manage your relationship with us; and
2. Obtain a tax deduction for the fees, where possible, in the correct income tax year.

The tax invoice will provide a brief description of the work completed. We will, on request, provide a tax invoice with greater detail.

Unless other arrangements have been made before we commence work, we require payment within 7 days of the date of the tax invoice.

We may however ask you to pay a sum prior to the commencement of work. If we so ask, the amount paid by you at that time will be credited against the final fee rendered for that work.

**If Tax Invoices are Overdue or Unpaid**

If your Tax Invoice is unpaid or become overdue at the end of 7 days, we may not proceed with any recommendations and may retain any of your papers, documentation, files or any documentation held on your behalf until the tax invoice have been paid in full.

If your tax invoice remains unpaid, we then reserve the right to undertake legal proceeding to recover any amount outstanding.

**Acting for You**

We reserve the right to claim against you if you contribute to any loss that we may suffer in the course of providing the stated services to you.

**Keeping of Documents**

On completion of providing the initial and ongoing service, we may retain or take copies of documentation you have provided us. We also retain any information provided by a third party, fund manager or previous Financial Adviser.

This information will be held in a client file and represents part of our permanent record and does not belong to you. A copy of your client file will however be provided to you on request.

All information retained is kept confidential and retained in a secured environment. We will retain these records for the statutory period of time of 7 years.

**Termination**

We may not continue to act for you if you:

1. Do not pay any outstanding tax invoices;
2. Fail to give us adequate instructions;
3. Fail to act in accordance with our recommendations; and
4. Advise us that we have lost your confidence.

Otherwise, either you or we may terminate this agreement at anytime. Before we terminate this agreement, we will give you 30 days written notice setting out the reasons.

If the agreement is terminated, you will be required to pay for all work completed and any expenses incurred up to the date terminated within 7 days from the termination date.

If you terminate this agreement and appoint another Financial Adviser to provide the services, we will not provide any information, records or documentation whatsoever to your new adviser until all outstanding fees payable to us have been paid in full.

**Limitation of Liability**

Our liability will be limited to the services we provide to you which may give rise to events specifically related to those set services in respect of which you may make a claim.

**Privacy**

All information given to us by you, and all recommendations and advice provided by us to you, will be kept confidential by us in accordance with the National Privacy Principles and will not be disclosed to anyone except where direct by you or as may be requested by law.

**Acceptance of These Terms**

It is our recommendation that you read this letter carefully and you may also wish to seek independent legal advice.

If there is anything you do not understand, you should not accept the terms set out in this letter until we have clarified matters.

Above all, if there is anything you are concerned about we urge you to discuss the matter with us and, if necessary, request a change to the terms set out above.

You may accept these terms by signing and returning to us a copy of this letter. Once signed please return it to our offices for our records.

Please do not hesitate to contact us if you have any questions and we look forward to working with you.

Yours sincerely

**Bob Nixon** B.Com., Dip. Ed., Dip. A.I.I.

Accredited Aged Care Professional™

Authorised Representative of Total Financial Solutions

**Client Acceptance**

I, <Contact Name> on behalf of <Client Name> confirm that I have read, understand and accept the terms and conditions as set out in the Fee for Service – Letter of Engagement dated <date>.

I, <Contact Name> on behalf of <Client Name> acknowledge that this agreement pertains to the entities listed in Schedule A of the Fee for Service – Letter of Engagement dated <date>.

I, <Contact Name> on behalf of <Client Name> agree to meet the payments and payment terms as set out in Fee for Service – Letter of Engagement dated <date>.

Signed on \_\_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2017

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of Acceptance

**Schedule A**

**List of Entities**

The following client and entities are included in this agreement between the parties named in our engagement letter:

1. < Client Name >
2. <Contact Name> as Enduring Power of Attorney for < Client Name >