

AGED CARE GENERATOR - Married & low-means

Client name: Elizabeth and Philip
 Adviser: Louise Biti
 Aged Care Steps
 Date: 03 February 2020

Rates and thresholds are current to 19 March 2020.

Assets

You have provided details of Elizabeth and Philip's current assets as:

Asset	Elizabeth \$	Philip \$
Home*	415,000	415,000
Lifestyle assets	5,000	5,000
Bank account - cash	30,000	30,000
Shares	60,000	60,000
Total	510,000	510,000

* As Philip will continue to reside in the home, the home will remain an exempt asset when determining aged care fees and age pension benefits.

Income

Elizabeth and Philip's current income position (per annum) is shown below:

Income source	Elizabeth \$	Philip \$
Interest - bank account (1%)	300	300
Dividends (4%)	2,400	2,400
Age pension*	24,000	24,000
Total	26,700	26,700

* The current age pension is \$703.50 per fortnight each (\$18,291.00 per annum). This includes a minimum pension supplement of \$27.90 per fortnight and energy supplement of \$10.60 per fortnight. The amount received (less these supplements) counts as assessable income when determining aged care fees.

Expenses

You have estimated a need to pay the following personal expenses in addition to aged care fees:

- Living expenses of \$5,000 per annum for Elizabeth.
- Living expenses of \$30,000 per annum for Philip.
- Home maintenance expenses of \$5,000 per annum.

Your starting cashflow

This analysis provides an estimate of the client's cashflow position when they first move into care based on current financial situation (before strategy options have been implemented).

The initial fees are estimated at:

- An accommodation contribution of \$162,652 which is paid as a daily accommodation contribution (DAC) of \$7,986 per annum (\$21.88 per day).
- A basic daily fee of \$51.63 per day.
- A means-tested care fee of \$- per day.

Income (per annum)	\$
Interest	600
Dividends	4,800
Centrelink	48,537
Refunded franking credits	1,400
Total cashflow	55,337
Aged care fees (per annum)	
Basic daily fee	18,845
Means-tested care fee	-
DAC	7,986
Total aged care fees	26,831
Lifestyle expenses - Elizabeth	5,000
Lifestyle expenses - Philip	30,000
Home expenses	5,000
Total other expenses	40,000
Total expenses	66,831
Cashflow position	(11,494)

Assumptions for the options

The results in each option will depend on several variables as listed below. The actual results may vary if actual figures vary from the assumptions.

- The home is assumed to have a growth rate of 2.50% per annum. Lifestyle assets are not indexed.
- Aged care and Centrelink rates and thresholds are indexed at 2.50% per annum.
- Cash investments are assumed to earn 1.00% per annum.
- Australian shares are assumed to earn 4.00% per annum with a franking level of 75.00% and a growth rate of 2.50% per annum.
- Interest on a lump sum reverse mortgage is assumed to be 5.5% pa. interest on a fortnightly drawing equity release option is assumed to be 4.5% pa. Money borrowed from a family member is assumed to be an interest free loan.
- Home expenses (including land tax if applicable) are indexed at 2.50% per annum. Lifestyle expenses are indexed at 2.50% per annum.
- RAC / DAC is recalculated for each option based on any changes to assessable income and assets (e.g. renting or selling the home, payment of immediate expenses) and then on an annual basis going forward
- Tax, seniors and low-income tax offset amounts and thresholds are not indexed and current to 30 June 2020.

The figures in the table below show the estimated outcomes for the first 12 months after all options have been implemented fully. The results in subsequent years will alter due to indexation of rates and thresholds, the change in investment values and interest rate changes.

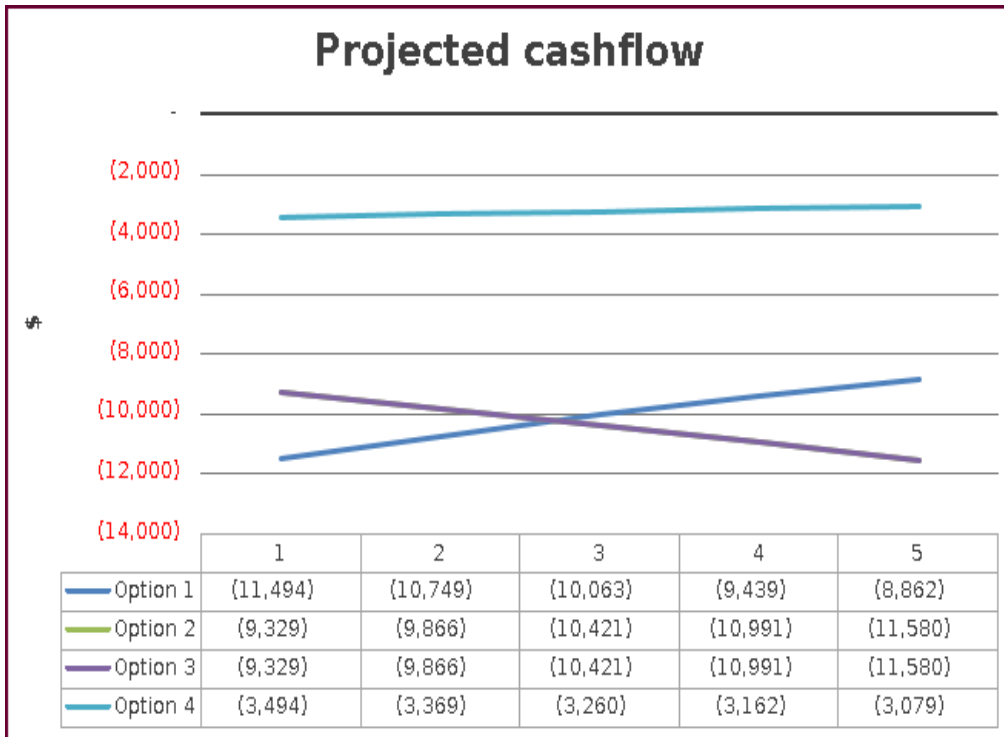
Results for each option

	Option1	Option 2	Option 3	Option 4
	Full DAC from cashflow	C & C pay RAC	Equity release (Lump sum)	Equity release - monthly draw
Assets				
Home	830,000	830,000	830,000	830,000
Lifestyle assets	10,000	10,000	10,000	10,000
Refundable RAC	-	160,000	160,000	-
Cash	60,000	60,000	60,000	60,000
Shares	120,000	120,000	120,000	120,000
Total assets	1,020,000	1,180,000	1,180,000	1,020,000
Liabilities	-	160,000	160,000	-
Total net assets	1,020,000	1,020,000	1,020,000	1,020,000
Centrelink				
Financial investments	180,000	180,000	180,000	180,000
Deemed income	3,676	3,676	3,676	3,676
Assessable income	3,676	3,676	3,676	3,676
Assessable assets	190,000	190,000	190,000	190,000
Cashflow (per annum)				
Interest	600	600	600	600
Dividends	4,800	4,800	4,800	4,800
Centrelink age pension	48,537	48,537	48,537	48,537
Refunded franking credits	1,400	1,400	1,400	1,400
Loan drawdowns	-	-	-	8,000
Total cashflow	55,337	55,337	55,337	63,337
Aged care fees (per annum)				
Basic daily fee	18,845	18,845	18,845	18,845
Means-tested care fee*	-	-	-	-
DAC	7,986	5,821	5,821	7,986
Total aged care fees	26,831	24,666	24,666	26,831
Other expenses (per annum)				
Lifestyle expenses - Elizabeth	5,000	5,000	5,000	5,000
Lifestyle expenses - Philip	30,000	30,000	30,000	30,000
Home expenses	5,000	5,000	5,000	5,000
Tax (including Medicare) - Elizabeth	-	-	-	-
Tax (including Medicare) - Philip	-	-	-	-
Total other expenses	40,000	40,000	40,000	40,000
Total expenses	66,831	64,666	64,666	66,831
Cashflow position	(11,494)	(9,329)	(9,329)	(3,494)
Projected net assets	1,032,256	1,034,421	1,025,396	1,032,066
Recalculated RAC - Elizabeth**	162,652	278,545	278,545	162,652

** The RAC changes in line with the impacts of any changes to levels of assessable income and assets within each option.

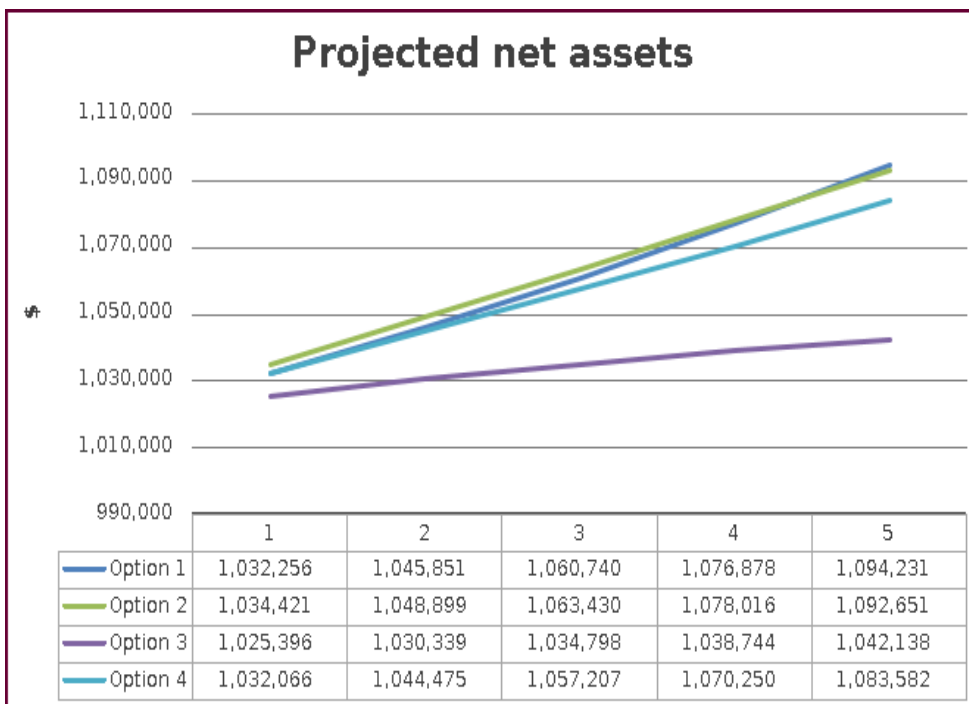
How your cashflow is impacted over time

The following graph compares the projected cashflow outcomes for each option over a five-year period. Any surplus cashflow is invested into cash, whereas any cashflow shortfall is first funded from cash, then shares as needed.



How your assets grow

The following graph compares the potential impact on your projected assets for each option at the end of each projection year over a five-year period.



Projections: Option 1 - Full DAP from cashflow

Assets – balance at end of year	Year 1	Year 2	Year 3	Year 4	Year 5
Home	850,750	872,019	893,819	916,165	939,069
Lifestyle assets	10,000	10,000	10,000	10,000	10,000
Cash	48,506	37,757	27,694	18,255	9,393
Shares	123,000	126,075	129,227	132,458	135,769
Total assets	1,032,256	1,045,851	1,060,740	1,076,878	1,094,231
Recalculated RAC - Elizabeth	162,652	143,026	124,739	107,790	91,881

Cashflow	Year 1	Year 2	Year 3	Year 4	Year 5
Cashflow (per annum)					
Interest	600	485	378	277	183
Dividends	4,800	4,920	5,043	5,169	5,298
Centrelink benefits	48,537	49,750	50,994	52,269	53,576
Refunded franking credits	1,400	1,435	1,471	1,508	1,545
Total cashflow	55,337	56,590	57,886	59,223	60,602
Aged care fees (per annum)					
Basic daily fee	18,845	19,316	19,799	20,294	20,801
DAC	7,986	7,023	6,125	5,293	4,511
Total aged care fees	26,831	26,339	25,924	25,587	25,312
Other expenses (per annum)					
Lifestyle expenses	35,000	35,875	36,772	37,691	38,633
Home expenses	5,000	5,125	5,253	5,384	5,519
Tax (including Medicare)	-	-	-	-	-
Total other expenses	40,000	41,000	42,025	43,075	44,152
Total expenses	66,831	67,339	67,949	68,662	69,464
Cashflow position	(11,494)	(10,749)	(10,063)	(9,439)	(8,862)

Centrelink / DVA age pension	Year 1	Year 2	Year 3	Year 4	Year 5
Assets test					
Investment assets	180,000	171,506	163,832	156,920	150,712
Lifestyle assets	10,000	10,000	10,000	10,000	10,000
Total assets	190,000	181,506	173,832	166,920	160,712
Asset test – lower threshold	394,500	404,362	414,471	424,833	435,454
Asset test – upper threshold	1,017,000	1,042,424	1,068,485	1,095,197	1,122,577
Pension payable under assets test	48,536	49,750	50,993	52,268	53,575
Income test					
Financial investments	180,000	171,506	163,832	156,920	150,712
Deemed income	3,676	3,378	3,103	2,851	2,618
Rental income	-	-	-	-	-
Income streams (deductible rules)	-	-	-	-	-
Other	-	-	-	-	-
Total income	3,676	3,378	3,103	2,851	2,618
Income test – lower threshold	8,008	8,208	8,413	8,623	8,839
Income test – higher threshold	105,081	107,708	110,401	113,161	115,990
Pension payable under income test	48,536	49,750	50,993	52,268	53,575
Payment received	48,537	49,750	50,994	52,269	53,576

Tax – Client 1	Year 1	Year 2	Year 3	Year 4	Year 5
Assessable income					
Bank interest	300	242	188	138	91
Dividends	2,400	2,460	2,521	2,584	2,649
Franking credits	700	717	735	753	772
Centrelink / DVA	22,731	23,309	23,901	24,507	25,129
Capital gains	-	-	-	-	-
Total assessable income	26,131	26,729	27,346	27,984	28,642
Total deductions	-	-	-	-	-
Taxable income	26,131	26,729	27,346	27,984	28,642
Tax payable before offsets	1,507	1,620	1,737	1,859	1,984
Less offsets					
Low income	445	445	445	445	445
Middle income	200	200	200	200	200
SAPTO	1,507	1,620	1,737	1,859	1,984
Medical expenses	-	-	-	-	-
Franking credits	700	717	735	753	772
Total offsets	2,852	2,983	3,118	3,257	3,401
Tax payable after offsets	(700)	(717)	(735)	(753)	(772)
Medicare levy	-	-	-	-	-
Medicare surcharge	-	-	-	-	-
Total tax payable	(700)	(717)	(735)	(753)	(772)

Tax – Client 2	Year 1	Year 2	Year 3	Year 4	Year 5
Assessable income					
Bank interest	300	242	188	138	91
Dividends	2,400	2,460	2,521	2,584	2,649
Franking credits	700	717	735	753	772
Centrelink / DVA	22,731	23,309	23,901	24,507	25,129
Capital gains	-	-	-	-	-
Total assessable income	26,131	26,729	27,346	27,984	28,642
Investment property expenses	-	-	-	-	-
Total deductions	-	-	-	-	-
Taxable income	26,131	26,729	27,346	27,984	28,642
Tax payable before offsets	1,507	1,620	1,737	1,859	1,984
Less offsets					
Low income	445	445	445	445	445
Middle income	200	200	200	200	200
SAPTO	1,507	1,620	1,737	1,859	1,984
Medical expenses	-	-	-	-	-
Franking credits	700	717	735	753	772
Total offsets	2,852	2,983	3,118	3,257	3,401
Tax payable after offsets	(700)	(717)	(735)	(753)	(772)
Medicare levy	-	-	-	-	-
Medicare surcharge	-	-	-	-	-
Total tax payable	(700)	(717)	(735)	(753)	(772)

Projections: Option 2 - C & C pay RAC

Assets – balance at end of year	Year 1	Year 2	Year 3	Year 4	Year 5
Home	850,750	872,019	893,819	916,165	939,069
Lifestyle assets	10,000	10,000	10,000	10,000	10,000
Refundable RAC	160,000	160,000	160,000	160,000	160,000
Cash	50,671	40,805	30,384	19,393	7,813
Shares	123,000	126,075	129,227	132,458	135,769
Total assets	1,194,421	1,208,899	1,223,430	1,238,016	1,252,651
Liabilities					
Other loans	160,000	160,000	160,000	160,000	160,000
Total liabilities	160,000	160,000	160,000	160,000	160,000
Total net assets	1,034,421	1,048,899	1,063,430	1,078,016	1,092,651
Recalculated RAC - Elizabeth	278,545	285,508	292,646	299,962	307,461

Cashflow	Year 1	Year 2	Year 3	Year 4	Year 5
Cashflow (per annum)					
Interest	600	507	408	304	194
Dividends	4,800	4,920	5,043	5,169	5,298
Centrelink benefits	48,537	49,750	50,994	52,269	53,576
Refunded franking credits	1,400	1,435	1,471	1,508	1,545
Total cashflow	55,337	56,612	57,916	59,250	60,613
Aged care fees (per annum)					
Basic daily fee	18,845	19,316	19,799	20,294	20,801
DAC	5,821	6,162	6,513	6,872	7,240
Total aged care fees	24,666	25,478	26,312	27,166	28,041
Other expenses (per annum)					
Lifestyle expenses	35,000	35,875	36,772	37,691	38,633
Home expenses	5,000	5,125	5,253	5,384	5,519
Tax (including Medicare)	-	-	-	-	-
Total other expenses	40,000	41,000	42,025	43,075	44,152
Total expenses	64,666	66,478	68,337	70,241	72,193
Cashflow position	(9,329)	(9,866)	(10,421)	(10,991)	(11,580)

Centrelink / DVA age pension	Year 1	Year 2	Year 3	Year 4	Year 5
Assets test					
Investment assets	180,000	173,671	166,880	159,610	151,850
Lifestyle assets	10,000	10,000	10,000	10,000	10,000
Total assets	190,000	183,671	176,880	169,610	161,850
Asset test – lower threshold	394,500	404,362	414,471	424,833	435,454
Asset test – upper threshold	1,017,000	1,042,424	1,068,485	1,095,197	1,122,577
Pension payable under assets test	48,536	49,750	50,993	52,268	53,575
Income test					
Financial investments	180,000	173,671	166,880	159,610	151,850
Deemed income	3,676	3,443	3,195	2,931	2,652
Rental income	-	-	-	-	-
Income streams (deductible rules)	-	-	-	-	-
Other	-	-	-	-	-
Total income	3,676	3,443	3,195	2,931	2,652
Income test – lower threshold	8,008	8,208	8,413	8,623	8,839
Income test – higher threshold	105,081	107,708	110,401	113,161	115,990
Pension payable under income test	48,536	49,750	50,993	52,268	53,575
Payment received	48,537	49,750	50,994	52,269	53,576

Tax – Client 1	Year 1	Year 2	Year 3	Year 4	Year 5
Assessable income					
Bank interest	300	253	204	151	96
Dividends	2,400	2,460	2,521	2,584	2,649
Franking credits	700	717	735	753	772
Centrelink / DVA	22,731	23,309	23,901	24,507	25,129
Capital gains	-	-	-	-	-
Total assessable income	26,131	26,740	27,362	27,998	28,648
Total deductions	-	-	-	-	-
Taxable income	26,131	26,740	27,362	27,998	28,648
Tax payable before offsets	1,507	1,622	1,740	1,861	1,985
Less offsets					
Low income	445	445	445	445	445
Middle income	200	200	200	200	200
SAPTO	1,507	1,622	1,740	1,861	1,985
Medical expenses	-	-	-	-	-
Franking credits	700	717	735	753	772
Total offsets	2,852	2,985	3,121	3,260	3,402
Tax payable after offsets	(700)	(717)	(735)	(753)	(772)
Medicare levy	-	-	-	-	-
Medicare surcharge	-	-	-	-	-
Total tax payable	(700)	(717)	(735)	(753)	(772)

Tax – Client 2	Year 1	Year 2	Year 3	Year 4	Year 5
Assessable income					
Bank interest	300	253	204	151	96
Dividends	2,400	2,460	2,521	2,584	2,649
Franking credits	700	717	735	753	772
Centrelink / DVA	22,731	23,309	23,901	24,507	25,129
Capital gains	-	-	-	-	-
Total assessable income	26,131	26,740	27,362	27,998	28,648
Total deductions	-	-	-	-	-
Taxable income	26,131	26,740	27,362	27,998	28,648
Tax payable before offsets	1,507	1,622	1,740	1,861	1,985
Less offsets					
Low income	445	445	445	445	445
Middle income	200	200	200	200	200
SAPTO	1,507	1,622	1,740	1,861	1,985
Medical expenses	-	-	-	-	-
Franking credits	700	717	735	753	772
Total offsets	2,852	2,985	3,121	3,260	3,402
Tax payable after offsets	(700)	(717)	(735)	(753)	(772)
Medicare levy	-	-	-	-	-
Medicare surcharge	-	-	-	-	-
Total tax payable	(700)	(717)	(735)	(753)	(772)

Projections: Option 3 - Equity release (Lump sum)

Assets – balance at end of year	Year 1	Year 2	Year 3	Year 4	Year 5
Home	850,750	872,019	893,819	916,165	939,069
Lifestyle assets	10,000	10,000	10,000	10,000	10,000
Refundable RAC	160,000	160,000	160,000	160,000	160,000
Cash	50,671	40,805	30,384	19,393	7,813
Shares	123,000	126,075	129,227	132,458	135,769
Total assets	1,194,421	1,208,899	1,223,430	1,238,016	1,252,651
Liabilities					
Home loan	169,025	178,560	188,632	199,272	210,513
Total liabilities	169,025	178,560	188,632	199,272	210,513
Total net assets	1,025,396	1,030,339	1,034,798	1,038,744	1,042,138
Recalculated RAC - Elizabeth	278,545	285,508	292,646	299,962	307,461

Cashflow	Year 1	Year 2	Year 3	Year 4	Year 5
Cashflow (per annum)					
Interest	600	507	408	304	194
Dividends	4,800	4,920	5,043	5,169	5,298
Centrelink benefits	48,537	49,750	50,994	52,269	53,576
Refunded franking credits	1,400	1,435	1,471	1,508	1,545
Total cashflow	55,337	56,612	57,916	59,250	60,613
Aged care fees (per annum)					
Basic daily fee	18,845	19,316	19,799	20,294	20,801
DAC	5,821	6,162	6,513	6,872	7,240
Total aged care fees	24,666	25,478	26,312	27,166	28,041
Other expenses (per annum)					
Lifestyle expenses	35,000	35,875	36,772	37,691	38,633
Home expenses	5,000	5,125	5,253	5,384	5,519
Tax (including Medicare)	-	-	-	-	-
Total other expenses	40,000	41,000	42,025	43,075	44,152
Total expenses	64,666	66,478	68,337	70,241	72,193
Cashflow position	(9,329)	(9,866)	(10,421)	(10,991)	(11,580)

Centrelink / DVA age pension	Year 1	Year 2	Year 3	Year 4	Year 5
Assets test					
Investment assets	180,000	173,671	166,880	159,610	151,850
Lifestyle assets	10,000	10,000	10,000	10,000	10,000
Total assets	190,000	183,671	176,880	169,610	161,850
Asset test – lower threshold	394,500	404,362	414,471	424,833	435,454
Asset test – upper threshold	1,017,000	1,042,424	1,068,485	1,095,197	1,122,577
Pension payable under assets test	48,536	49,750	50,993	52,268	53,575
Income test					
Financial investments	180,000	173,671	166,880	159,610	151,850
Deemed income	3,676	3,443	3,195	2,931	2,652
Rental income	-	-	-	-	-
Income streams (deductible rules)	-	-	-	-	-
Other	-	-	-	-	-
Total income	3,676	3,443	3,195	2,931	2,652
Income test – lower threshold	8,008	8,208	8,413	8,623	8,839
Income test – higher threshold	105,081	107,708	110,401	113,161	115,990
Pension payable under income test	48,536	49,750	50,993	52,268	53,575
Payment received	48,537	49,750	50,994	52,269	53,576

Tax – Client 1	Year 1	Year 2	Year 3	Year 4	Year 5
Assessable income					
Bank interest	300	253	204	151	96
Dividends	2,400	2,460	2,521	2,584	2,649
Franking credits	700	717	735	753	772
Centrelink / DVA	22,731	23,309	23,901	24,507	25,129
Capital gains	-	-	-	-	-
Total assessable income	26,131	26,740	27,362	27,998	28,648
Total deductions	-	-	-	-	-
Taxable income	26,131	26,740	27,362	27,998	28,648
Tax payable before offsets	1,507	1,622	1,740	1,861	1,985
Less offsets					
Low income	445	445	445	445	445
Middle income	200	200	200	200	200
SAPTO	1,507	1,622	1,740	1,861	1,985
Medical expenses	-	-	-	-	-
Franking credits	700	717	735	753	772
Total offsets	2,852	2,985	3,121	3,260	3,402
Tax payable after offsets	(700)	(717)	(735)	(753)	(772)
Medicare levy	-	-	-	-	-
Medicare surcharge	-	-	-	-	-
Total tax payable	(700)	(717)	(735)	(753)	(772)

Tax – Client 2	Year 1	Year 2	Year 3	Year 4	Year 5
Assessable income					
Bank interest	300	253	204	151	96
Dividends	2,400	2,460	2,521	2,584	2,649
Franking credits	700	717	735	753	772
Centrelink / DVA	22,731	23,309	23,901	24,507	25,129
Capital gains	-	-	-	-	-
Total assessable income	26,131	26,740	27,362	27,998	28,648
Total deductions	-	-	-	-	-
Taxable income	26,131	26,740	27,362	27,998	28,648
Tax payable before offsets	1,507	1,622	1,740	1,861	1,985
Less offsets					
Low income	445	445	445	445	445
Middle income	200	200	200	200	200
SAPTO	1,507	1,622	1,740	1,861	1,985
Medical expenses	-	-	-	-	-
Franking credits	700	717	735	753	772
Total offsets	2,852	2,985	3,121	3,260	3,402
Tax payable after offsets	(700)	(717)	(735)	(753)	(772)
Medicare levy	-	-	-	-	-
Medicare surcharge	-	-	-	-	-
Total tax payable	(700)	(717)	(735)	(753)	(772)

Projections: Option 4 - Equity release - monthly draw

Assets – balance at end of year	Year 1	Year 2	Year 3	Year 4	Year 5
Home	850,750	872,019	893,819	916,165	939,069
Lifestyle assets	10,000	10,000	10,000	10,000	10,000
Cash	56,506	53,137	49,877	46,715	43,636
Shares	123,000	126,075	129,227	132,458	135,769
Total assets	1,040,256	1,061,231	1,082,923	1,105,338	1,128,474
Liabilities					
Home loan	8,190	16,756	25,716	35,088	44,892
Total liabilities	8,190	16,756	25,716	35,088	44,892
Total net assets	1,032,066	1,044,475	1,057,207	1,070,250	1,083,582
Recalculated RAC - Elizabeth	162,652	157,299	152,244	147,412	142,803

Cashflow	Year 1	Year 2	Year 3	Year 4	Year 5
Cashflow (per annum)					
Interest	600	565	531	499	467
Dividends	4,800	4,920	5,043	5,169	5,298
Centrelink benefits	48,537	49,750	50,994	52,269	53,576
Refunded franking credits	1,400	1,435	1,471	1,508	1,545
Loan drawdowns	8,000	8,000	8,000	8,000	8,000
Total cashflow	63,337	64,670	66,039	67,445	68,886
Aged care fees (per annum)					
Basic daily fee	18,845	19,316	19,799	20,294	20,801
DAC	7,986	7,723	7,475	7,238	7,012
Total aged care fees	26,831	27,039	27,274	27,532	27,813
Other expenses (per annum)					
Lifestyle expenses	35,000	35,875	36,772	37,691	38,633
Home expenses	5,000	5,125	5,253	5,384	5,519
Tax (including Medicare)	-	-	-	-	-
Total other expenses	40,000	41,000	42,025	43,075	44,152
Total expenses	66,831	68,039	69,299	70,607	71,965
Cashflow position	(3,494)	(3,369)	(3,260)	(3,162)	(3,079)

Centrelink / DVA age pension	Year 1	Year 2	Year 3	Year 4	Year 5
Assets test					
Investment assets	180,000	179,506	179,212	179,103	179,172
Lifestyle assets	10,000	10,000	10,000	10,000	10,000
Total assets	190,000	189,506	189,212	189,103	189,172
Asset test – lower threshold	394,500	404,362	414,471	424,833	435,454
Asset test – upper threshold	1,017,000	1,042,424	1,068,485	1,095,197	1,122,577
Pension payable under assets test	48,536	49,750	50,993	52,268	53,575
Income test					
Financial investments	180,000	179,506	179,212	179,103	179,172
Deemed income	3,676	3,618	3,565	3,516	3,472
Rental income	-	-	-	-	-
Income streams (deductible rules)	-	-	-	-	-
Other	-	-	-	-	-
Total income	3,676	3,618	3,565	3,516	3,472
Income test – lower threshold	8,008	8,208	8,413	8,623	8,839
Income test – higher threshold	105,081	107,708	110,401	113,161	115,990
Pension payable under income test	48,536	49,750	50,993	52,268	53,575
Payment received	48,537	49,750	50,994	52,269	53,576

Tax – Client 1	Year 1	Year 2	Year 3	Year 4	Year 5
Assessable income					
Bank interest	300	282	265	249	233
Dividends	2,400	2,460	2,521	2,584	2,649
Franking credits	700	717	735	753	772
Centrelink / DVA	22,731	23,309	23,901	24,507	25,129
Total assessable income	26,131	26,769	27,423	28,095	28,785
Total deductions	-	-	-	-	-
Taxable income	26,131	26,769	27,423	28,095	28,785
Tax payable before offsets	1,507	1,628	1,752	1,880	2,011
Less offsets					
Low income	445	445	445	445	445
Middle income	200	200	200	200	200
SAPTO	1,507	1,628	1,752	1,880	2,011
Medical expenses	-	-	-	-	-
Franking credits	700	717	735	753	772
Total offsets	2,852	2,990	3,132	3,278	3,428
Tax payable after offsets	(700)	(717)	(735)	(753)	(772)
Medicare levy	-	-	-	-	-
Medicare surcharge	-	-	-	-	-
Total tax payable	(700)	(717)	(735)	(753)	(772)

Tax – Client 2	Year 1	Year 2	Year 3	Year 4	Year 5
Assessable income					
Bank interest	300	282	265	249	233
Dividends	2,400	2,460	2,521	2,584	2,649
Franking credits	700	717	735	753	772
Centrelink / DVA	22,731	23,309	23,901	24,507	25,129
Total assessable income	26,131	26,769	27,423	28,095	28,785
Total deductions	-	-	-	-	-
Taxable income	26,131	26,769	27,423	28,095	28,785
Tax payable before offsets	1,507	1,628	1,752	1,880	2,011
Less offsets					
Low income	445	445	445	445	445
Middle income	200	200	200	200	200
SAPTO	1,507	1,628	1,752	1,880	2,011
Medical expenses	-	-	-	-	-
Franking credits	700	717	735	753	772
Total offsets	2,852	2,990	3,132	3,278	3,428
Tax payable after offsets	(700)	(717)	(735)	(753)	(772)
Medicare levy	-	-	-	-	-
Medicare surcharge	-	-	-	-	-
Total tax payable	(700)	(717)	(735)	(753)	(772)