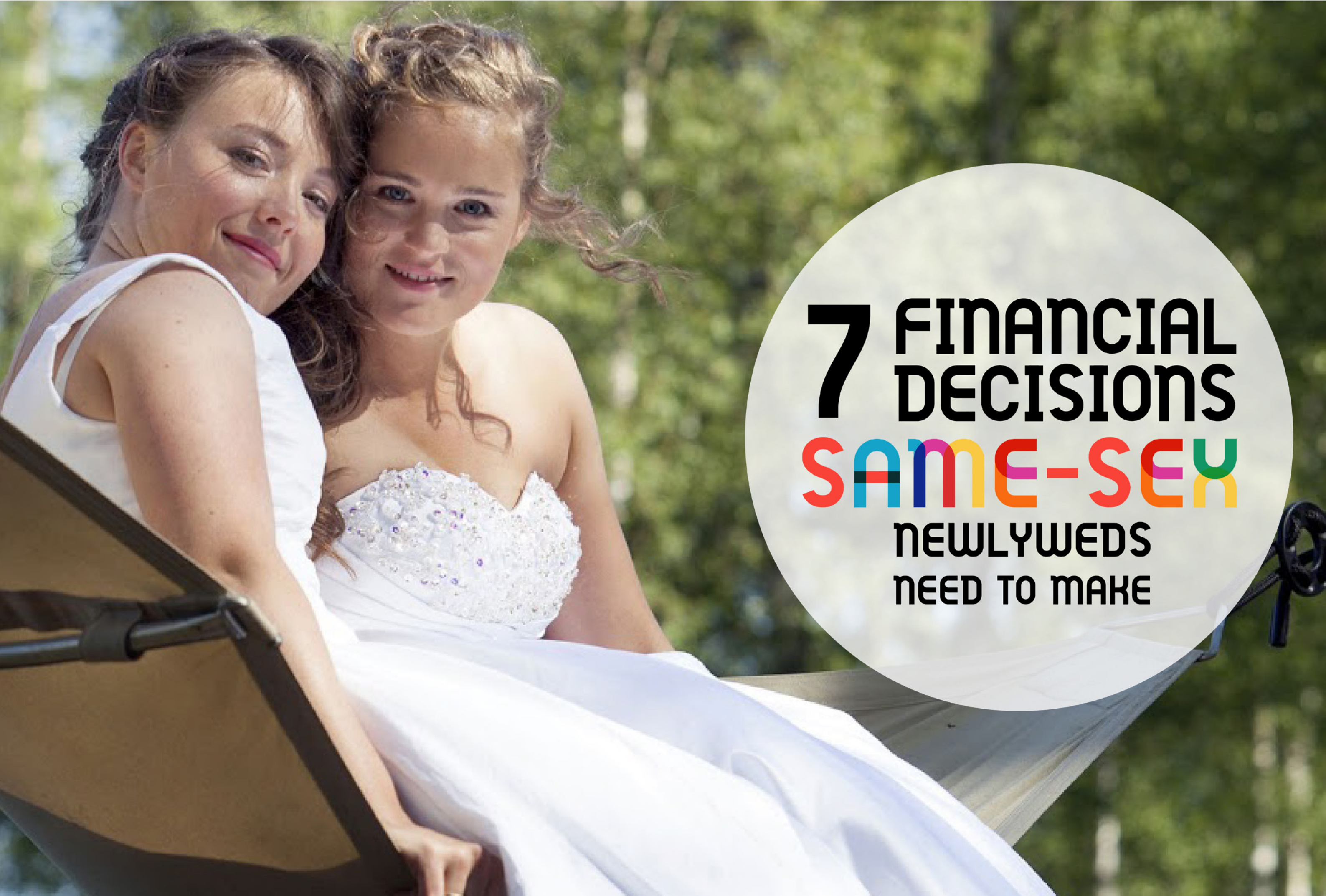
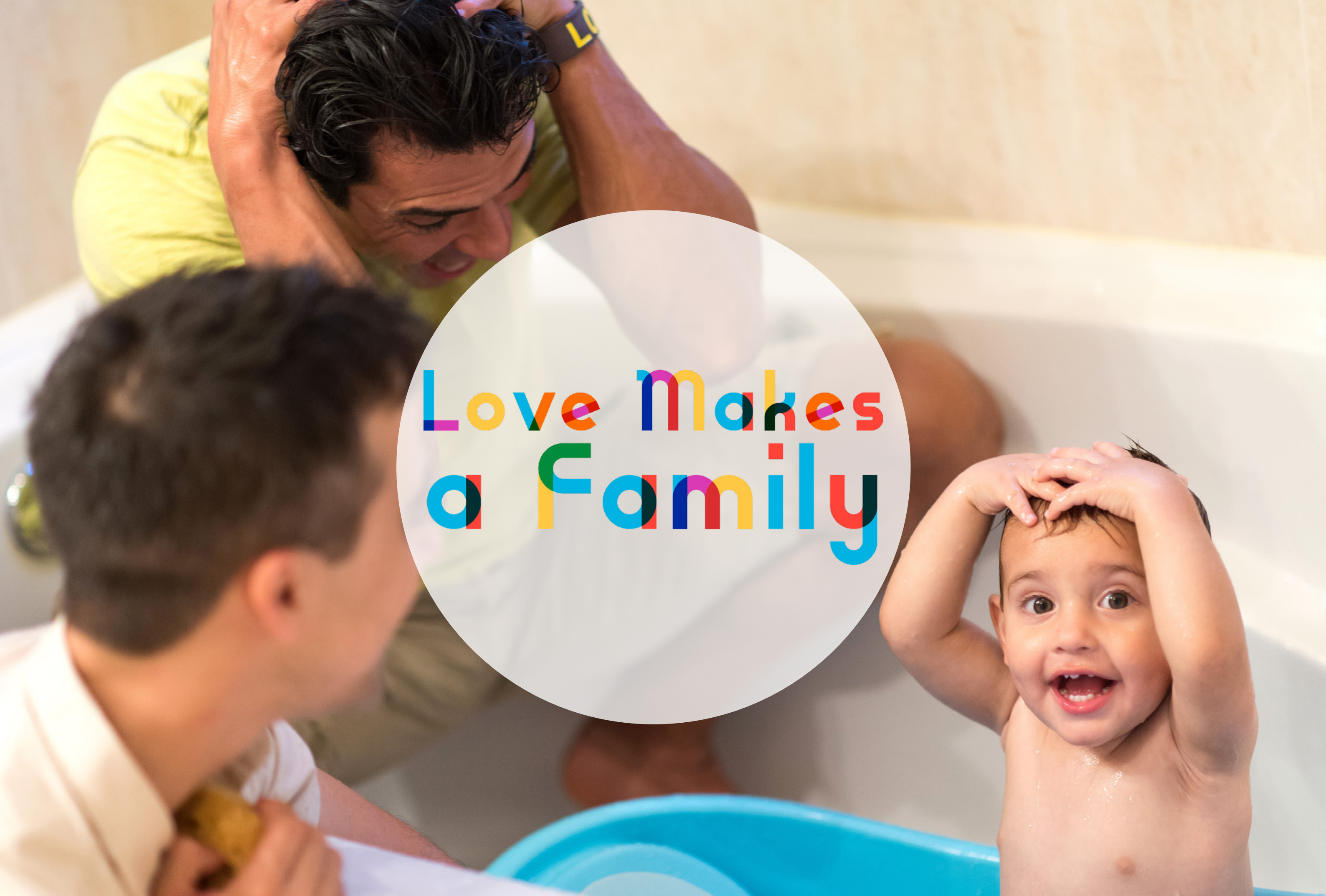


7 FINANCIAL DECISIONS SAME-SEX NEWLYWEDS NEED TO MAKE

What's Inside



Love Makes a Family

Marriage equality

LOVE IS LOVE

On the 9th December 2017, Marriage Equality finally became law in Australia.

Australia's history towards same sex marriage and the broader LGBTI community has seen many individuals, families and their children suffer the effects of stigma, discrimination and being treated as less than equal.

While the government's voluntary postal survey on same-sex marriage has ultimately brought good news for many in the LGBTI community, how this was done divided communities, wreaked damage and fuelled bullying and violence against children of LGBTI families. The United Nations publicly criticised the Australian government's abdication of leadership to a voluntary postal survey as not an appropriate way for a government to make decisions, saying 'Human rights are not to be determined by opinion poll or a popular vote'.

'Marriage, according to law in Australia, is the union of two people to the exclusion of all others, voluntarily entered into for life.'

Marriage Amendment (Definition and Religious Freedoms) Act 2017

"There is no greater agony than bearing an untold story inside you".

Maya Angelou - African-American Author and Civil Rights Campaigner

Sadly, not all Australian families are supportive. Some are dismissive, hostile and even belligerent to their own LGBTI family member. Some even disown their children because of social attitudes or religious beliefs.

'In the light of this sad reality, we are once again forced to realise some people just refuse to see everyone as equal'. Drew Browne - Sapience Financial

The good news is, today being able to legally marry the one they love, many same sex couples are openly planning their financial future together, supported by their families (whether logical or biological).

This eGuide is designed especially for LGBTI Newlyweds by people who celebrate and support the Australian LGBTI community. You're fabulous.

No matter where you are on your financial and relationship journey, no matter your currentt level of support - there are **7 FINANCIAL DECISIONS SAME-SEX NEWLYWEDS NEED TO MAKE.**

Why we wrote this eGuide

While LGBTI people are as diverse as the rest of the population, their shared experience of discrimination creates common financial issues. The problem doesn't lie with LGBTI people, but with the attitudes and behaviours of the society around them.

Research shows

- LGBTI people have reduced access to health services and reduced access to relevant discrimination-free financial advice.

- The constant pressure of dealing with the **homophobia of others** makes avoidance of financial advice relatively common.

Living with the constant uncertainty about whether they will receive acceptance from families, friends, colleagues and professional service providers like doctors and financial advisers is exhausting. The constant pressure of dealing with this uncertainty has a corrosive effect on their personal and financial health and undermines the long term financial stability of their families.

We believe it's up to recognised financial advice experts like Sapience Financial and Investment Services (the author of this eGuide), to take the initiative and make LGBTI people feel welcome, safe and highly respected.

Why you may need this eGuide?

While this may not apply to everyone, there are many barriers to same-sex families who need detailed financial advice. Financial Advisers are in a unique position as most financial and insurance decisions are about family structures, relationships and priorities.

In the same way reporting a hate crime to the police can foster uncertainty and anxiety, thinking about talking with a Financial Adviser about the needs of your same-sex family can also bring with it uncertainty, concerns about discrimination and acceptance and even personal information privacy.

This means if you're not completely comfortable with your financial adviser, you're at significant risk of not getting the depth and quality of financial advice you may need. It doesn't need to be this way.

Unique problems faced by many LGBTI couples

Every LGBTI couple is as individual as the community they're drawn from; and all couples are usually at slightly different places in their shared journey.

- **Each partner may have differing levels of support from their own biological families.** This imbalance can be a source of ongoing friction and even raise concerns about privacy and confidentiality (particularly when naming the beneficiary of a life insurance policy, a superannuation payout or a planned inheritance).

- **Each partner may be at a different level of comfort about being out.** As one partner may not be out yet to everyone, they may be concerned about avoiding stigma and further discrimination against their spouse or their family. Many may also be trying to shield elderly biological family members from having to deal with yet another cultural change they may be ill equipped to deal with in their advanced age or declining health.

- It's important to remember each person is entitled to develop in their own way in their own time. Pushing your partner to be at your level is unfair and insensitive. It's not as simple as demanding your partner choose between you or their biological family.

- **This imbalance can feel particularly uncomfortable when it comes to speaking with your biological family or considering speaking with a Financial Adviser**, who is not yet inside your trusted circle of confidants. Because each person, couple, and situation is unique, the best approach has to be worked out by each individual couple.

- Try to remember your partner will probably have less than perfect parents, just like everyone else and they probably have their own issues left over from childhood too.

- Many LGBTI people understandably feel uncomfortable telling an unknown financial adviser they have a same-sex partner or discussing what the specific needs of their same-sex family are. **Many LGBTI people fear they may need to 'come out' during the financial interview process, then have to deal with the homophobia of others, then wonder if they'll receive less favourable treatment as a result.**

An uncomfortable truth about financial advisers

Now while many financial advisers like to claim they 'treat everyone the same', this usually means they treat everyone as heterosexual. Members of the broader LGBTI community do not need special treatment, but they do need access to relevant, high quality financial advice that's judgement and discrimination-free.

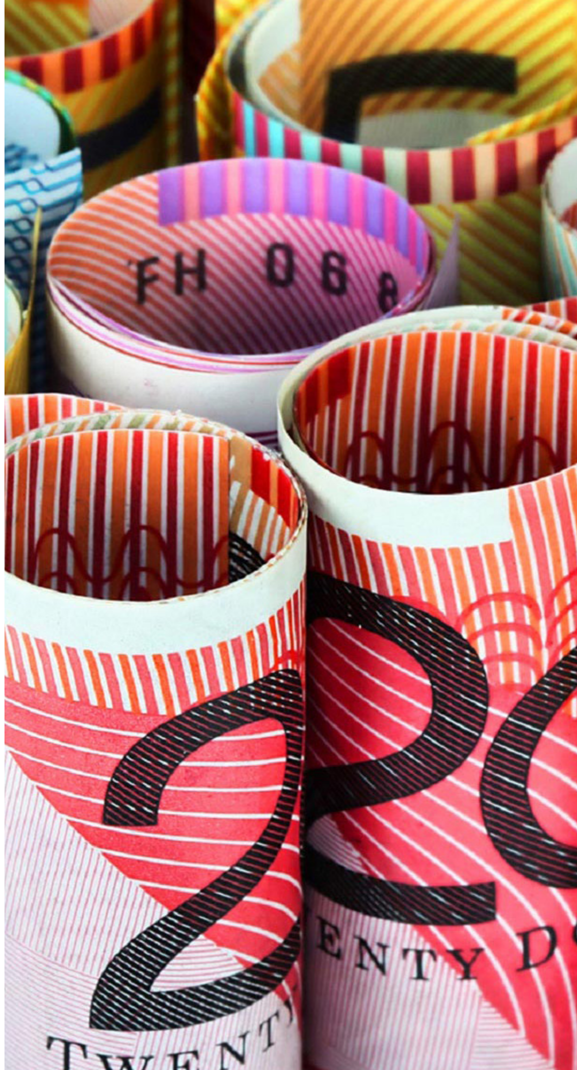
The team who created this eGuide, Sapience Financial, have a unique understanding of the LGBTI community, it's people, it's wonderful families and it's fabulous sense of style.

Money, matters; it's no secret

There's a third person in your relationship and it's not your ex; it's your attitude about money.

So why does talking about money cause so many arguments and misunderstandings?

- It's because our emotions affect how we deal with money; and our relationship with money always affects our emotions. (How do you feel when you discover a 75% off sale at the hardware store, the designer clothes boutique or IKEA?)



- It's no secret; most money-arguments couples face happen because they just aren't yet on the same page; not because they aren't committed to a wonderful shared future.

We all have a past

Everyone has a past and everyone starts out with very different attitudes towards money matters. Most likely, you may both have very different money expectations based on your past experience with money.

The good news is, learning how to begin talking about money early and often in a relationship can really help you work together to better understand your partner's attitudes towards money. The end goal is to find a way to master your money matters as a couple, reduce the risks of any future misunderstandings and get on with living a fabulous shared life together.

We all start out with our own individual relationship with money

Our current behaviours usually reflect our current beliefs.

Very early in life, children begin to internalise the messages they hear from their family about money; how it works, what it promises and its part in a happy life.

It's not surprising that until we all make a conscious effort to develop our own beliefs about money matters, many of our personal financial attitudes are simply those of our parents passed down to us, whether deliberately or unconsciously.

Every financial behaviour, no matter how seemingly illogical, makes perfect sense once we understand the underlying beliefs in the environment that made that belief.

This is why we believe it's important to help people get a better understanding of what they can do to live happy financial lives and how to make their money work for them and not against them.

If you're a same-sex newlywed couple, the question isn't really 'do I need financial advice?', it's 'when I do need financial advice, who best understands my particular situation?'

When you're ready to chat with a financial adviser who understands the unique issues of the LGBTI community, I'd love you hear from you.

Until then, enjoy the read!

Drew Browne

Drew Browne
Director | Senior Advisor
Sapience Financial & Investment Services

Money Personality Quiz

What you'll learn in this eGuide

1. Recognising your money personality
2. 7 Financial things newlyweds need to do
3. Checklist for recording your beneficiaries
4. How to find a financial adviser who understands the LGBTI communities needs.

Discover your own money personality

Take our Money Matters Financial Personality Quiz

Quiz Instructions

There's no right or wrong answer to these multiple choice questions - just the chance to discover your own current financial personality.

Circle the answer that you most relate to then compare your results with your partner.

1. Having adequate **savings** set aside for an emergency is:

A. Important
B. Less important nowadays because friends, family and credit cards are there to help if you need it.
C. Not important
D. Nice idea, but how do you do that with the modern cost of living?

2. I pay off the **credit card** bill:

A. Every month in full
B. When I can afford to
C. Often struggle to pay it off
D. I hold a level of ongoing debt on credit cards and usually make minimum repayments until I have spare cash to put towards reducing the total.

3. The best place to keep **savings** is:

A. A typical bank account
B. In an investment
C. I don't have any real level of savings
D. Maybe extra super contributions, maybe extra mortgage repayments, maybe in a mortgage offset account.

4. When talking about **life insurance** I feel:

A. It's important for everyone
B. It's only important for older people or those with bigger debts
C. It's a waste of money (dead money)
D. Not sure if I'd qualify and or I think I might have some in my super fund.

5. I usually **save a percentage** of my wage that's

A. 20% or more
B. 10-20%
C. 0%-10%
D. I used to save but stopped when I had to use it for something previously

6. I use **saving for a holiday** as one of my regular financial goals

A. Often
B. Sometimes
C. Never
D. When there's space on the credit card I utilise that for these sized goals

7. If I **won $30,000** this is what I'd do with it:

A. Put it in my everyday savings account
B. Spend half on a relaxing holiday and invest the rest
C. Spend it all on a holiday or new car
D. Pay down some credit card debts, buy something really nice and maybe take the family for a short holiday with what's left.

8. If I **got sick and someone needed to make important decisions** for me

A. I have a Power of Enduring Guardianship in place so that's documented and legally sorted
B. I think my partner could do that
C. I don't get sick and have really healthy family genes
D. I hope my partner would look after that or my friends could sort it out between them or if it's going to happen it will happen regardless of my preparation.

9. If I were to **unexpectedly pass away**, my affairs will be dealt with by

A. That's already documented and my Executor will handle that
B. My family will sort that out I suppose
C. If I'm not here I really don't care
D. I'm going to get one of those Post Office Will Kits this year and fill it in.

10. When it comes to my **debts and hopes for my partner and family** I want them to-

A. Have a good life now and a good retirement
B. Have a great life now while we can and use insurance to fund the rest
C. Life looks after itself, it always does.
D. If I pass away unexpectedly, they'll be able to still work if they need to. I don't want them to be able to live like royalty.

11. When it comes to **my current cost of living**, my partner and family can afford to live on a single income

A. Yes
B. No
C. Not sure
D. That's what we'll work out this year.

12. When it comes to **my birth family's attitude towards my partner**, they love and support them

A. Always
B. Mostly
C. That's a sore point
D. We have conflicts about this, so we really don't discuss it.

Quiz Answer Legend

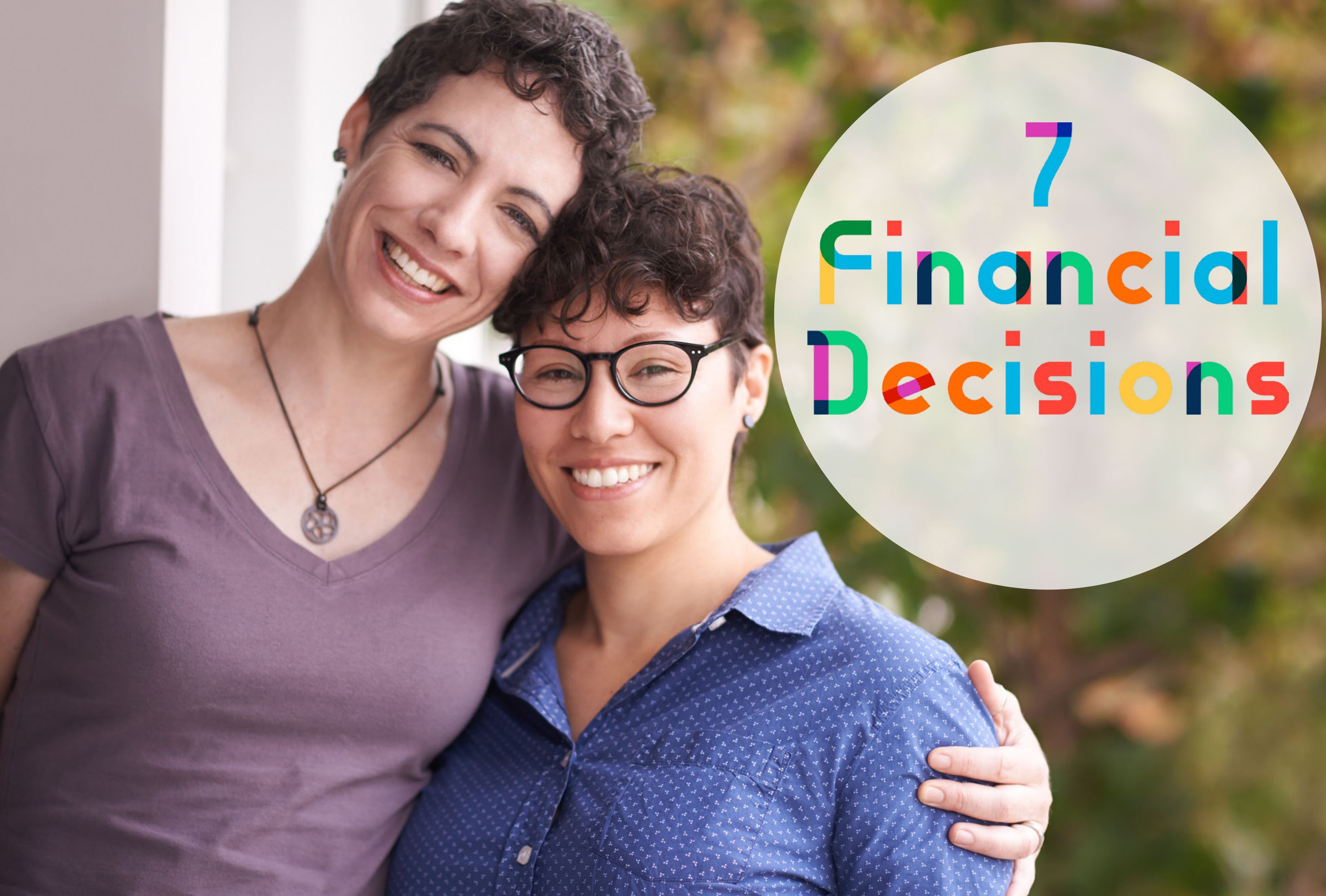
If you answered:

A. **mostly A's**, that would suggest your mostly **Conservative in your approach** to finances. If your partner shares a similar attitude, that's great news. The down side could be that you both give in to the temptation to live as Spartans.

B. **mostly B's**, that would suggest you're **Moderate in your approach** to money matters. Decisions are usually more spontaneous rather than planned, deliberated and budgeted. You may be accused of being more relaxed but never of being financially adventurous.

C. **mostly C's**, that would suggest you're more **Short term and Reactive** (love a sale, adore a catalogue) and take higher risks in money matters. If you both scored high in this area, there's an increased chance that spending for today might be robbing you're tomorrow. You might like to look for ways to help level out the peaks and troughs in your spending patterns.

D. **mostly D's**, that would suggest you're more **Disorganised** in your overall financial personality, combining good intentions with a mass of false starts and unfinished financial projects. These type of money personalities are very busy, time poor, (often recognisable by their holding multiple super funds) and have the best good financial intentions, plans and goals, but life gets in the way at times.



7 Financial Decisions

Financial decision 1.

Get good at BUDGETING as a couple

Now that you're married, creating a shared budget is an important opportunity to discover shared dreams, goals and the bigger plans for your future together. Following a shared budget will help you work better together toward the same goals and becoming closer as a couple. As part of this process you'll no doubt rediscover your own money style and attitudes too.

The problem of doing nothing

Putting off learning to budget as a couple can take a significant toll on a relationship and its ability to successfully navigate a bigger future.

- Planning for major purchases and longer term goals becomes

more difficult (if not impossible) when you don't both know what you're joint money budget is. This can lead to you making rushed financial decisions today that unleash unexpected consequences for tomorrow.

- Feeling out of sync with your partner can trigger a general sense not being understood and appreciated. In the worst case it can ultimately foster feelings of animosity when it comes to money matters.

- Because our emotions are tied to our attitudes towards money, not taking the time to learn to budget as a couple will have both financial and emotional effects upon your relationship.

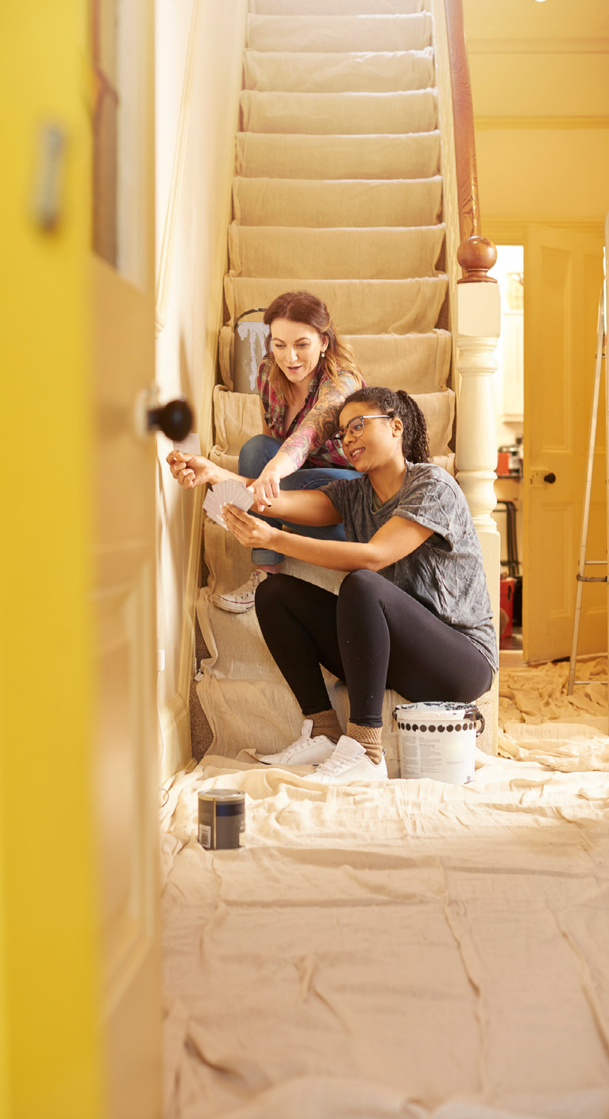
- Without a shared commitment to the end result, many partners give up trying to budget. Life becomes more a day to day transaction and the future more frightening and uncertain.

What you can do today

Learning to budget as a couple is more about sorting out priorities and agreeing on what you need to have, would like to have or absolutely must have.

Take the time to get to know each other's past relationship with money matters, and talk about how that might affect each other's current attitudes. It will strengthen your relationship and many people say it even 'helps make their spending patterns less impulsive'.

- Take the money **personality quiz** at the front of this eGuide and share your results with your partner. See if you can identify your individual and shared values.



- If you'd like help keeping track of your spending, why not use an app? See if the Government free Track My Spend budgeting app is right for you.

- Find another couple or trusted friends who you can share your money matters journey with. This can help you refine your own approach about what works for you at the moment and what doesn't.

- Consider if a percentage based budgeting approach would work better for you. You can learn more about that in our article How to budget like a Badass.

Get Practical

- **Time Delay Spending:** Discuss whether you set a spending limit before you have to share the purchase decision with your partner. Do you set a waiting period for purchased over a set amount such as $500 or do you simply have to wait a week before committing to the purchase?

- **Splitting Bills:** If one partner earns significantly more than the other, decide if you want to split the family bills by percentages, so each person pays a percentage equal to their income of the bill rather than the equal amount.

- **Try something new:** Make a commitment to your new style budget for the next 6 months and commit to being prepared to change, tweak or dump it and start again, as your circumstances change.

How we can help

- Read our blog about the Percentage Based Budget system, download a percentage based budget spreadsheet and learn how to become a badass budgeter.
- Subscribe to our monthly Not-a-Newsletter designed to help spark interesting conversations about your financial life.

Pro Tip

If you're a double income family where one partner has a significantly greater income than the other, consider **a percentage approach to shared bills**. This equal sacrifice approach is designed so each partner pays the same percentage of their income towards the same bill, not the same amount.

Financial decision 2.

Calculate your new joint financial NET WORTH and credit capacity

If you're now part of a double income family, it won't take long to discover with twice the income comes twice the opportunity. But it can also bring twice the risks to manage and twice the debt levels to service, until you've had a chance to better understand your new financial net worth and credit situation.

The problem of doing nothing

When it comes to **money matters**, not all surprises are happy ones.

- Not knowing your new joint financial net worth means you risk continuing to make financial decisions with an outdated view of the bigger picture. This means y**ou can accidentally make a bad situation worse** or miss the opportunities created by stronger credit and income levels.

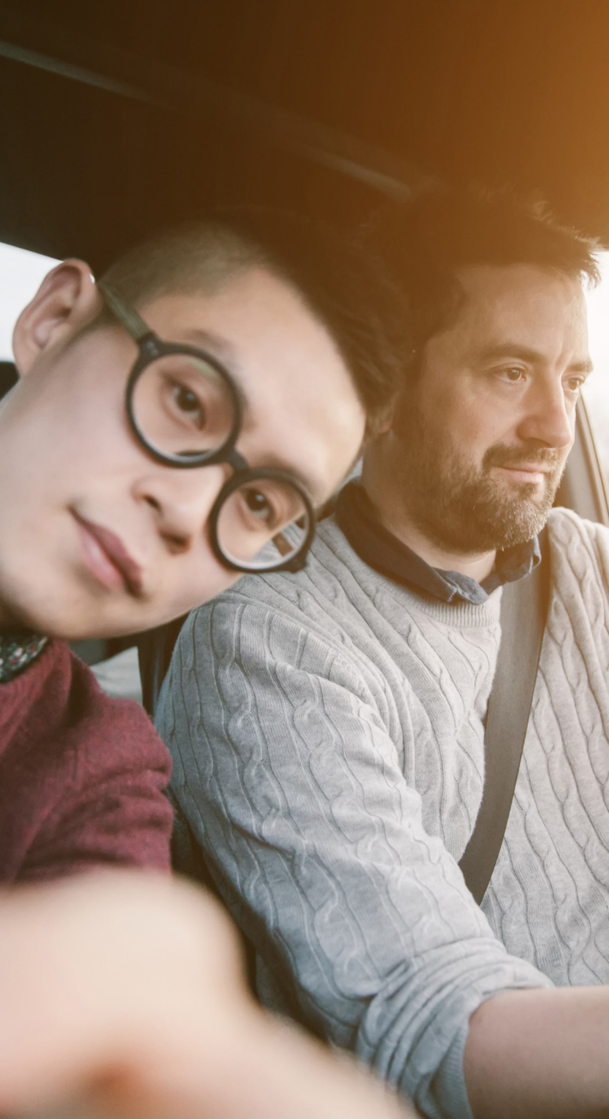
- If you don't know the official credit history of both yourself and your partner (is it accurate, does it show unpaid debts or contain disputable defaults?), **your joint credit history might ambush you both, at the worst possible time**–when you're looking to rent, obtaining a mortgage, needing to refinance the mortgage or leasing a car, buying a phone or applying for business credit from a new supplier.

- Having past defaults on your credit history within the last 7 years may result in you paying a higher penalty interest rate on a home loan, thereby absorbing more of your family's monthly budget.

- Unpaid student debts (**HECS debt**) don't die with you and can interfere with your partner protection and estate planning if not taken into consideration.

- If you don't know what your individual and shared debt situation is, you can't make safe financial decisions now or clear commitments for tomorrow. The bigger risk is **you might end up making a permanent decision based upon just a temporary problem.**

- In the worst case scenario not knowing your joint credit history **could lead to a bankruptcy issue you never knew about until it's too late to protect your major assets.**



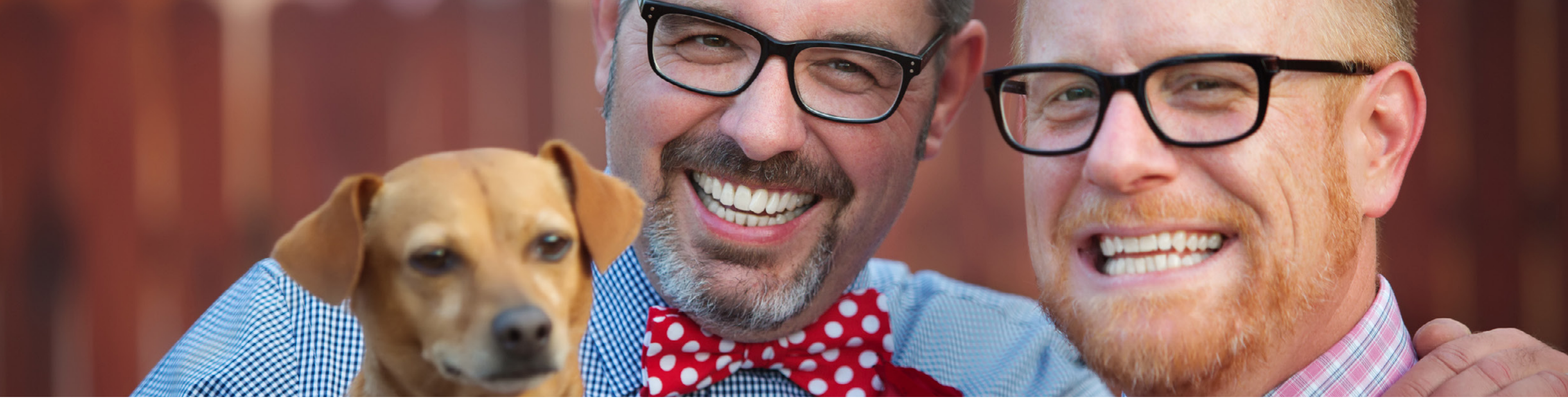
What you can do today

It starts with gaining clarity about your new shared net worth and credit history together.

- List your major debts, both individual and joint
- List your big assets and their value, both individual and joint
- Then work out your new joint financial position
- Click here to learn how to request a free copy of your credit history (every year) and check for errors, incorrect information or even possible identity fraud.

There are many immediate financial advantages to being a married couple.

- When you apply for a mortgage your joint income and joint net worth is usually assessed together as a couple, not as individuals with additional higher separate living costs.
- You may now be eligible for discounts as a couple on your personal insurances
- You may be able to take advantage of the tax offset for spouse contributions to superannuation each year.



How we can help

- Read our blog How to keep track of your credit history.
- Use the government's Moneysmart Net Worth Calculator to calculate your joint net worth.
- Subscribe to our monthly Not a Newsletter designed to help trigger interest interesting conversations about your money matters.

Pro Tip

Remember your joint financial net worth can never replace your value as a person or a couple. While money is a powerful resource in our life, it doesn't define who we are and who we love.

Start with knowing what your new financial position is as a couple and if anything is hiding in your personal credit history too, to give your relationship the best chance at financial success.

Financial decision 3.

Financially protect those WHO MATTER THE MOST to you

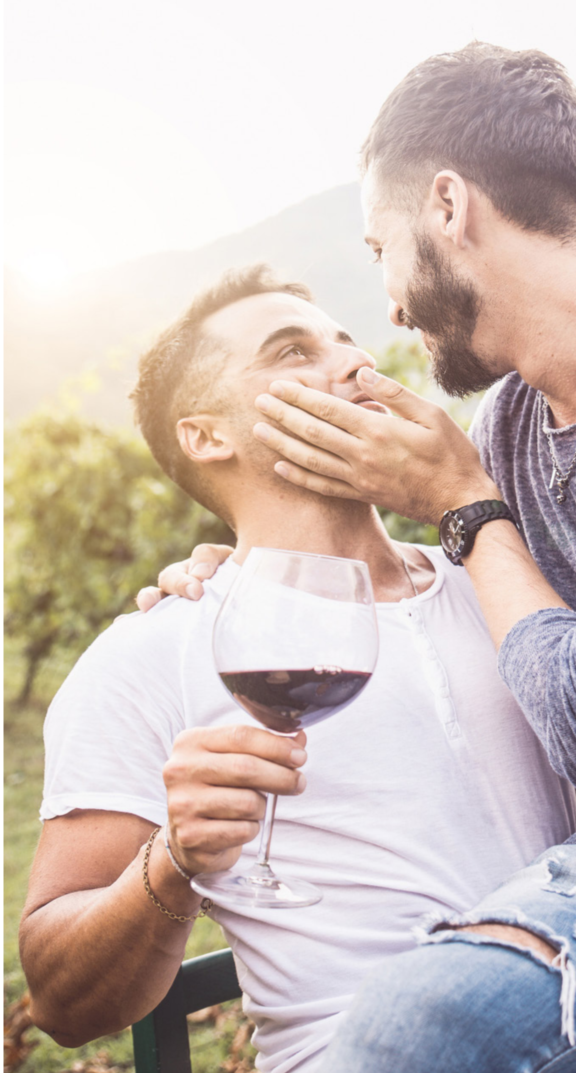
Life never quite works out just the way we planned.
People get sick or injured and lose their jobs. Some end up caring for elderly parents, additional needs partners or extended family members. Others sadly even unexpectedly pass away in car accidents or through sickness.

It doesn't take long to realise we all have someone we love who relies upon us, or our ongoing ability to earn an income, in some way.

Now you're married, it's time to financially protect those who matter most to you.

The problem of doing nothing

Nobody plans to get sick or injured and unable to work; and nobody plans when they pass away; but these things happen.



The Numbers of Life

Below is the **statistical reality of life we all face** before we turn 65, regardless of who we love.

We all have a:

1 in 3 chance of suffering a **major medical crisis** before we reach 65

1 in 4 chance of being **sick or injured and unable to work** for at least 3 months

1 in 10 chance of **dying unexpectedly**

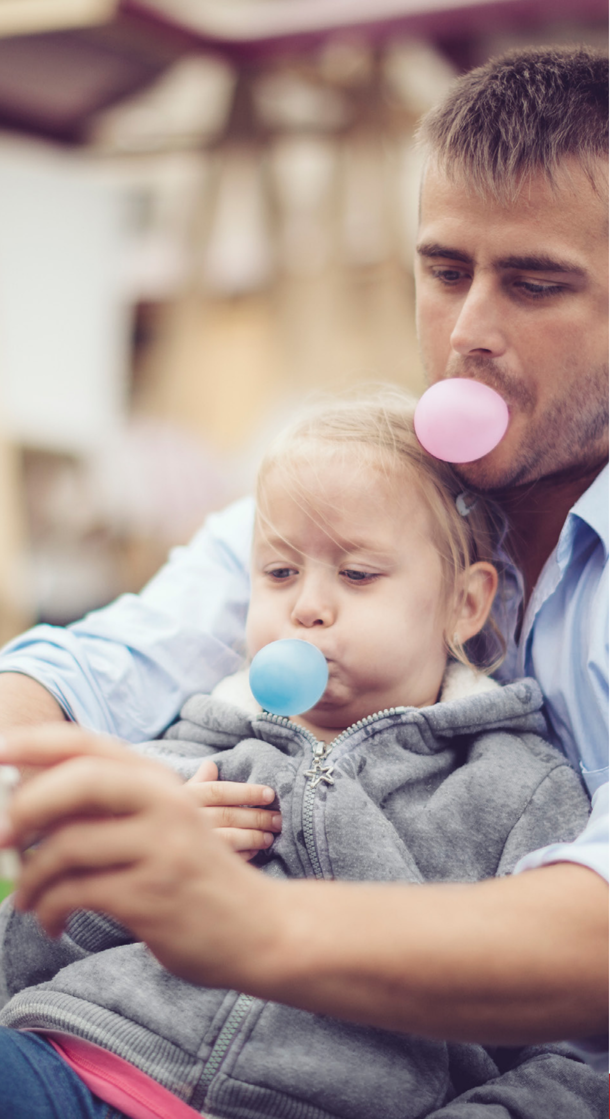
1 in 20 chance of becoming **totally or permanently disabled** never able to return to work again

What you can do today

The purpose behind life insurance is to compensate your family for the lost income you never earned if you pass away, and to help cushion the financial and emotional impact it will have on your family and those close to you.

Here are some of the actions we suggest you take.

- **Know** how long you could be sick and off work, and still meet your bills.
- **Check** how long your emergency savings would hold out if you need to use them to replace your income for a period of time.
- **Find out** how much you actually have at risk. Are you buying a home, do you have a young family, do you rent, does your new family depend upon a regular income?
- **Calculate** what you can expect your lifetime earnings to be (in today's dollars)
- **Discuss** would you be able to financially continue to live where you are now or be forced to move away to a more affordable location, if one of you unexpectedly passed away?
- **Talk** with your partner about your own hopes and dreams for the next two years, the next five years and beyond and what you'd want to do if something got in the way.



How we can help

- We can help you create your family backup plan.
- We can help you transfer your major financial risks away from your family and to a life insurance company to carry for you.
- If you need specialty life insurance because of a pre-existing health condition, we can help you with that too. (We're also experts at helping people with well managed HIV or Diabetes get their life insurance in place).
- If you or your family need to claim on your life or disability insurance, we can quietly walk beside you and your family as your powerful advocate during a difficult time.

Pro Tip

Don't confuse the cost of the solution with the problem you're protecting yourself from.

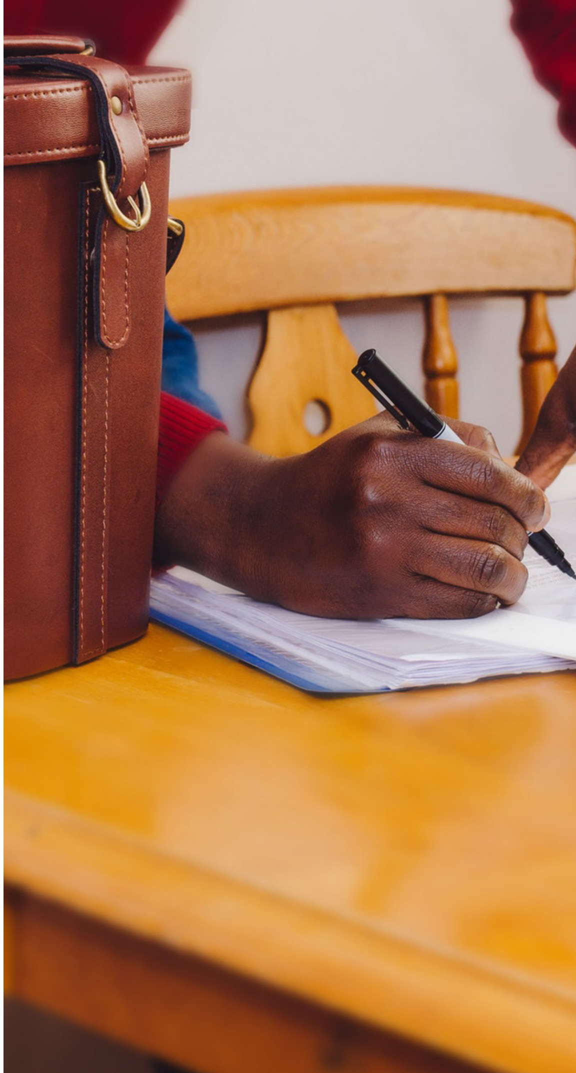
- To protect your ability to afford to retire, the government currently deducts 9.5% of your wage into a super fund for your retirement. On an income of $100,000 that's $9,500 pa.

- To protect your ability to earn that income you can expect to pay between 3-5% of your wage to insure your income earning capacity. An income protection policy can help replace 75% of your income, usually to age 65 or even 70.

- **Compare the percentage it costs to protect your income earning ability, with the amount you'll earn over the course of your working life to help see what you really have at risk.**

Financial decision 4.

Get your emergency support and estate planning documents SORTED



Many LGBTI couples have strained or difficult relationships either with their own, or their spouses, biological family. Not everyone's biological family is accepting of (or even acknowledging of) LGBTI relationships and marriages.

Some simply may refuse to acknowledge your existence, your spouse or the existence of your marriage. Others are wonderfully supportive and affirming like you'd expect from all good and loving families.

Sadly we have to accept that not everyone sees all people as being equal.

Having your **emergency support and estate planning documents** in place helps bring certainty and clarity about what should happen if unforeseen key life events occur either today, tomorrow or later.

The good news is, married couples are usually legally entitled to make many decisions on behalf of their spouse. As the official next of kin, they're one of the first people a medical doctor must turn to when a spouse is unable to make a key medical decision themselves.

But many decisions actually require additional legal documentation to make your wishes known.

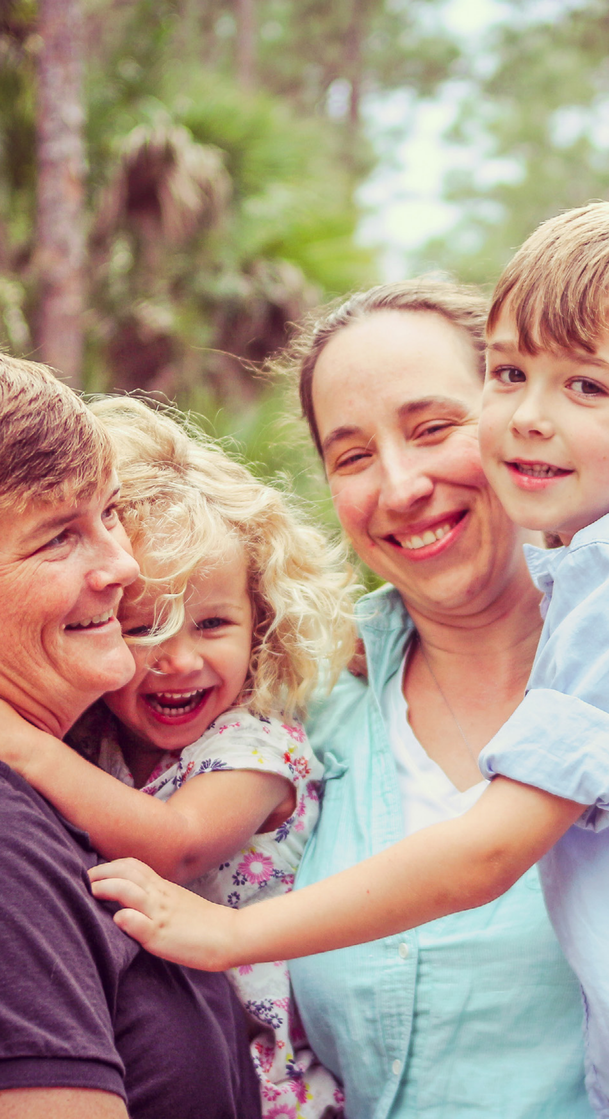
The most obvious is your will and who you legally appoint as its executor. Equally important, but less serious decisions may also require a documented Power of Attorney or a Power of Enduring Guardianship to be in place. **Couples with young children will also need to nominate their choice of backup guardians for the children, as part of their family plan B.**

The problem of doing nothing

- If you need serious immediate medical treatment and your spouse is not available to provide consent, then adult children, parents and adult siblings may be contacted to give their consent.

- For many LGBTI families, there is an increased likelihood upon your death, of an attack on your assets by a disaffected extended family member.

It's an uncomfortable reality but, despite the majority of Australians choosing to support the move for marriage equality, there are sometimes biological family members who refuse to recognise the LGBTI relationship of a child or sibling. These same biological family members may then challenge the will of their LGBTI child or sibling and seek to lay claim to assets, savings, superannuation, investments and life insurances, at the deliberate exclusion to the child or sibling's chosen spouse.



What you can do today

People in moments of extreme grief usually don't make the best financial decisions. After the unexpected death or disability of their spouse, many decision making functions are clouded or even impaired. Additional decisions and financial worries can simply make a terrible situation worse. But it doesn't need to be this way.

Preparing your **emergency support and estate planning documents** now will significantly reduce the stress of being forced to make key decisions without clarity or certainty later.

- Make it a priority to set up your Power of Attorney, so your spouse can make legal decisions for you if you're unavailable, and your Power of Enduring Guardianship, so your nominated person can make your health and treatment decisions if you no longer can.
- Now that you're married, check you've updated your nominations for your life insurance policies and your super fund accounts.
- Check if you should update your will. Know when it was last reviewed and where it is stored. If you don't have one make one. Don't ever risk your spouse's future to a DIY will kit purchased from the post office or downloaded online.
- Now check the executor of your will knows where your will is stored and has the skills (and possible funding) to carry out your wishes.

How we can help

- **Download and fill out** our Family Tree Worksheet to help start you thinking about who may or may not be on your family radar when it comes to preparing your emergency support and estate planning documents.

- **Download and read** our eGuide The 7 Myths of Modern Estate Planning and learn the essential background information about your options.

- **Watch our fun explainer video** to help answer the question How Much is Enough? when it comes to life insurance.

When it comes to your emergency support and estate planning documents, get it clear, get it documented and get it sorted.

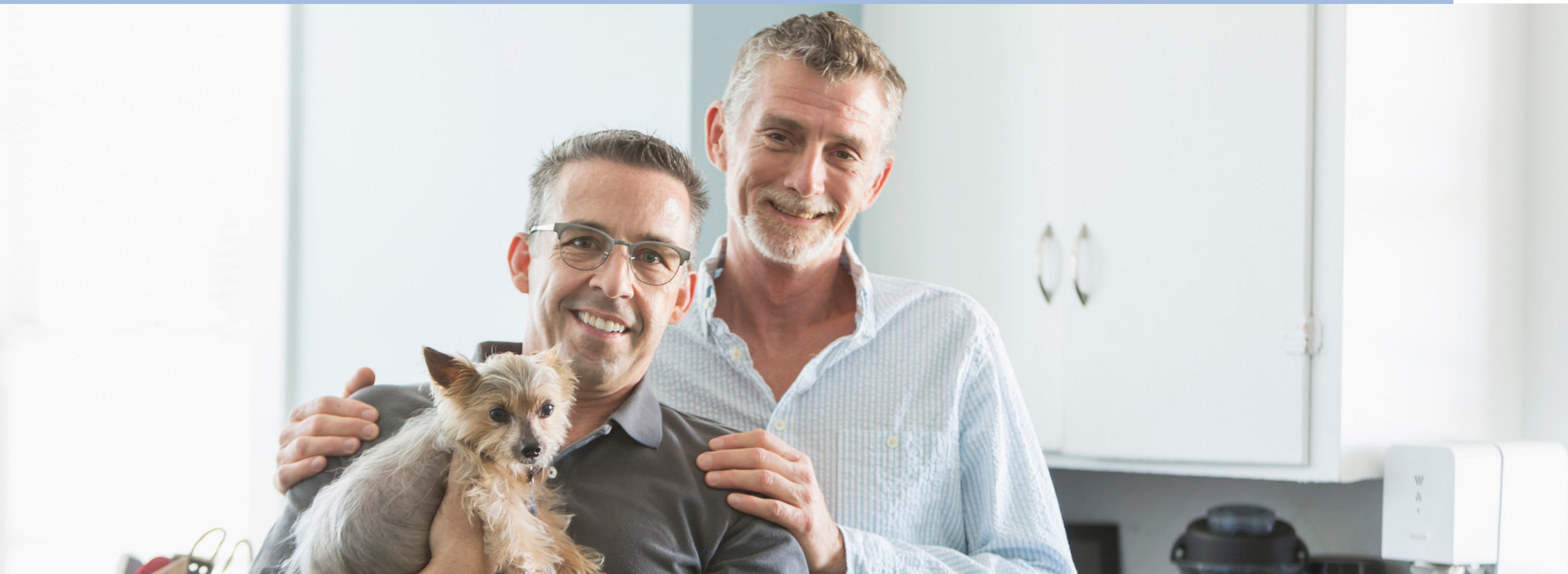
Did You Know?

Did you know if you're not capable of consent to your own treatment yourself, doctors (and emergency dentists) are legally required to follow a **defined order of priority** when seeking people who are legally entitled to make decisions on your behalf medically?

In NSW that defined order of priority is set out in the Guardianship Act 1987 (NSW) and you can read more about that at our article here. (Caution: Australia has eight different guardianship regimes, which vary widely).

Pro Tip

If your spouse travels and is away for long periods, consider making a legal Responsible Person Nomination to ensure the person next in line to make medical decisions for you, is a person of your choice. Otherwise those decision making powers might end up being given to a biological family member.



Financial decision 5.

Plan how you want to LIVE FINANCIALLY as a couple for the future

Now you're officially a married couple, you both need to sit down and talk about how you can start to work together to achieve your goals today. There are many different ways to integrate two individual lives into something truly fabulous. While there's no right or wrong approach, the experts agree, 'at the very start, you should mostly keep finances separate until you have a clear plan', taking things slow and deliberate.

What matters most is you both agree on a system for now, that you're also both open to updating and changing later on as needed.

The problem of doing nothing

- Most arguments and misunderstandings about money occur not because people don't want to get along together, but often simply because they don't yet know how to do something.
- Keeping your money history to yourself and maybe not feeling understood by your partner undermines the progress you can make as a couple.
- When you don't feel understood, we're all more prone to misunderstanding the otherwise good intentions of our partner.

What you can do today

- Make it a priority to **learn about** your spouse's attitude to money.
- **Know what baggage is arriving** and have a plan for it.
- Rather than making New Year's resolutions that only get left on the shelf unfulfilled, **commit** to achieving **regular small goals** together.
- You might choose to have a **joint family bills account** and your own individual accounts.
- Remember you don't have to jump into this quickly; in fact we always say **hasten slowly**.
- Make sure both partners have the **same level of understanding** about the practical part of your shared money life, like where the life insurance policies are stored, what bills get paid regularly by direct debit, which ones arrive quarterly and need individual attention.
- Be sure to **discuss bigger issues**, like how you're tracking as a couple saving for the family holiday.

How we can help

Don't leave your financial future as a couple up to chance.

- We can help you with the tax offset for spouse contributions to superannuation.
- We can help you with couple's discounts when combining your personal insurances together.
- Read our article on Understanding your partner's money history
- Read our article about How to split expenses as a couple

Financial decision 6.

Discuss MONEY MATTERS as a couple

How you handle talking about money matters as a couple makes all the difference. A certain level of friction in any new relationship is normal - remember you're two individuals fitting into a single couple - so how you decide to do this together goes a long way to setting you both up for success.

Remember everyone feels the family bond differently; it makes sense to take time to discover how both you and your partner feel about this. For some, extended family is as important as immediate family, while for others, family are the friends you choose for yourself. Wherever your own feelings about family are, find a way to **talk together about what matters most.**

The problem of doing nothing

Avoiding talking about money matters can never improve your situation because you can't improve and plan for what you don't acknowledge.

- Because our emotions influence our attitudes towards money matters, failing to talk regularly about both will put a strain on any relationship.

- Leaving all the financial management solely to one partner without taking an interest yourself, increases the risk one person will outgrow the other when we should be improving our own ability to navigate successfully through life.

- In the worst case scenario, allowing a disproportionate imbalance about money matters can fuel addiction risks, misunderstanding and resentment.

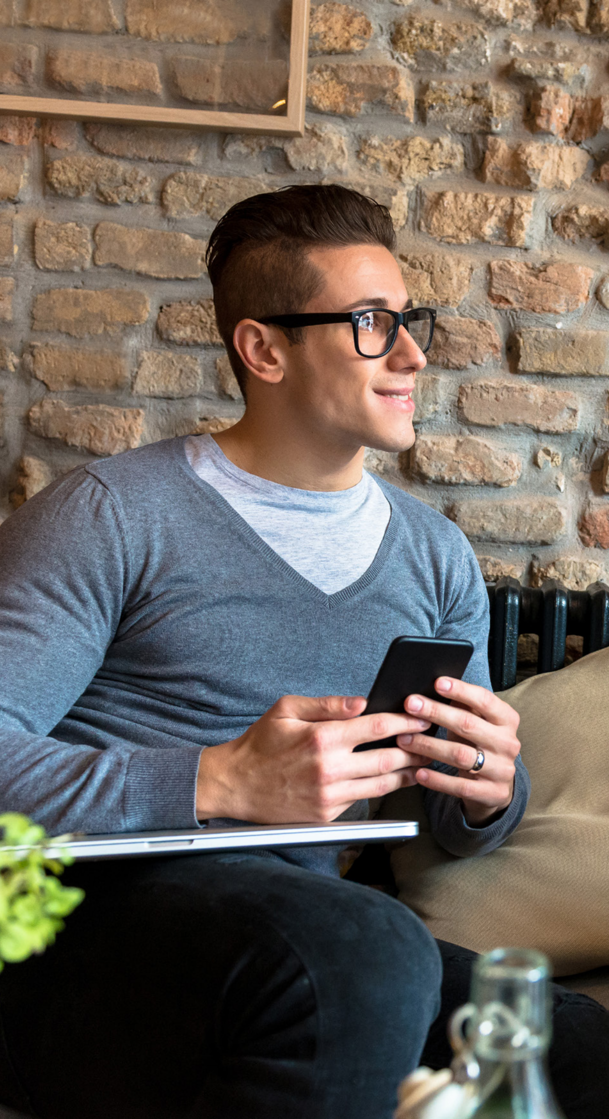
What you can do today

When it comes to talking regularly about money matters, don't expect everyone to be in the same place; it's a journey to be shared and everything we know we've had to learn from somewhere or someone.

Recognise that our past internal feelings about money from childhood usually still affect us until we've had the opportunity to decide which ones we keep and which ones we improve on.

- When you're planning to talk about money matters, timing is everything so make sure you're both feeling relaxed, uninterrupted (and definitely not hungry). Turn off the mobile phone and focus on your partner.

- Creating respectful conversations with equality and inclusion for both partners builds greater confidence within your marriage.



- Decide to set your own new standards and behaviours about money.
- Decide on your shared response to lending, giving and borrowing money from family, friends and others.
- Find two other couples or a trusted friend to chat with regularly about general money matters and help normalise these types of helpful conversations. Normalising the conversation means a money conversation is no longer a threat or suggestion of impending arguments.
- Make a commitment as a family and refuse to be held hostage by avoiding talking and learning about money matters (especially when the new IKEA catalogue arrives).

How we can help

When it comes to the bigger financial decisions, it's often wise to get a second financial opinion or talk through your options with a financial advisor who understands our community and its relationship challenges.

- Subscribe to our Not-a-Newsletter and regularly discuss an article with your partner if its relevant to you or your friends.
- We have 20 years' experience working with a wide range of diverse people and are comfortable dealing with sensitive or complex situations.

Pro Tip

How to start a conversation about money with your partner.
As the overwhelming majority of money matters are dependent upon emotional matters, a great way to start a conversation about money and emotions is to see how similar (or different) your individual feelings are about the topic 'giving to charity.'

Try these 7 key conversation starters:

- How do you feel this year about making donations to charity? Should this be regular or random, direct or through a charity collector?
- What's your earliest positive memory about money?
- What's your earliest negative memory about money?
- How do you feel about health insurance?
- How do you feel about Birthday and Christmas celebrations. Are they of equal value or different?
- How do you feel about supporting ethical brands? For example; Fair Trade, Certified B Corps.
- How do you feel about local farmers markets? Local curiosity or more an important part of connecting and supporting community?

Financial decision 7.

Update your beneficiary details on your LIFE INSURANCE and superannuation

More and more of us are now using life insurance (and our super) to provide for our loved ones in case we unexpectedly pass away or suffer a debilitating condition. An insurance or super payout can be used to support your spouse, your children, pay down debts or even leave a financial legacy to give someone you love a financial head start or to help support a charity you support.

There are two main ways you can own your life insurance; personally or through your super. But you need to know the different consequences of each type of ownership; who can receive the payout and how to minimise taxes and other claims on that cash.

The first trap is forgetting to regularly update your beneficiaries. This is because the death benefit payment from your super includes the account balance and any life insurance held in the fund. Together this can be a sizeable amount.

The problem of doing nothing

- If you do nothing, by default all payouts are paid to your estate for your executor to sort out and to manage the claims on your will by creditors, former partners, biological family members, your adult children, opportunists and even bankruptcy trustees.
- Your nominated beneficiary may be hit with an unforeseen tax bill on a payout leaving them less than you actually planned.
- Different state laws may see your former spouse, estranged biological family or an adult child receiving some of your life insurance or superannuation payout – not just your spouse.
- It's quite possible a person's biological family is not aware of the sexual orientation of their child or sibling and may only find out after a serious illness, accident or death. Without clear written legal instructions in place ahead of time, this can be a tragedy for the surviving member of the relationship left to defend their rights to your assets during the worst possible time in their life.

A note about special tax advantages

This is particularly important as your super fund (especially if it holds your life insurance) can only make payments tax free to certain types of nominated dependants. People considered 'non-dependants under the tax laws', like a financially independent adult child are subject @2017 to a special 'death tax' of 15% plus 2% Medicare levy.

What you can do today

- **Complete** your List of Beneficiaries checklist (at the end of this eGuide) to help you begin to keep track of your chosen beneficiaries, their addresses and if your nomination is up to date.
- **Learn** about the **two different types of nominations** - binding and non-binding and read our article here.
- **Check** you've updated your **nominations for your life insurance**. Get this wrong and the life insurance company will ignore your request and send your payout to your legal personal representative (also called the executor of your will) to sort out.
- **Check** you have updated your **nominations for your super funds**. Get this wrong and the super company will ignore your request and send your payout to your legal personal representative (also called the executor of your will) to sort out.

How we can help

- We can help you safely manage your life insurance nominations
- For Super beneficiary nominations - we can advise if the person you nominated to receive a payout can legally qualify to receive the funds and the expected tax status.
- We can help business owners manage nominating a business partner or other keyperson to receive life insurance funds eg: for paying down business debts.

Pro Tip

Under super law, our step-children cease to be legal stepchildren of a step parent upon our death. This means that a death benefit in a super fund, cannot be paid to a stepchild under the super definition of 'dependant' (ATO ID 2011/77).

Couples with step-children may need to consider adopting their step children or putting another financial structure in place if you want to provide for them from life insurance or super.

Your checklist for your nominated BENEFICIARIES

The purpose of nominating a beneficiary is to make sure the right amount of money reaches the right person or cause at the right time. Some types of nominations are permanent while others only last a set period of time. Keeping clear records about these choices will help you remember when to renew theses legal documents.

Beneficiary name and date of birth	Relation to you, your spouse or both (eg: son, step-daughter)	Beneficiary to Life insurance and/or Super fund	Date written nomination made

Find a financial advisor who understands the LGBTI communities needs

How to find if a financial advisor is right for you?

Modern life requires modern thinking
Today's complex financial system means the question is not 'do I need a financial adviser' but 'when do I need a financial adviser?' so it makes sense to learn how to find the right one for you and your family.

Old ways get old results

The traditional approach of choosing an advisor based upon being 'licensed and a member of a professional organisation', is no longer helpful for the today's consumer (particularly as licensing and memberships are legally required by law). This old simplistic approach to finding a suitable adviser provides no indication of an advisor's level of skill, philosophy or suitability to your particular situation.

The new world requires greater transparency from advisors

Modern family's have modern challenges that usually need modern solutions. Today's expert financial advisors provide greater transparency around who they are, what they do and what motivates them.

Take a modern approach to finding an expert advisor

Before you meet a potential advisor, see what shows up when you google their business name.

What they do

- Browse through their online presence, read about their guiding philosophy and process and learn whether they have a purpose bigger than just money.

Awards and Recognition

- Have they been recognised or awarded from outside their industry for their services to the broader community?

Ownership

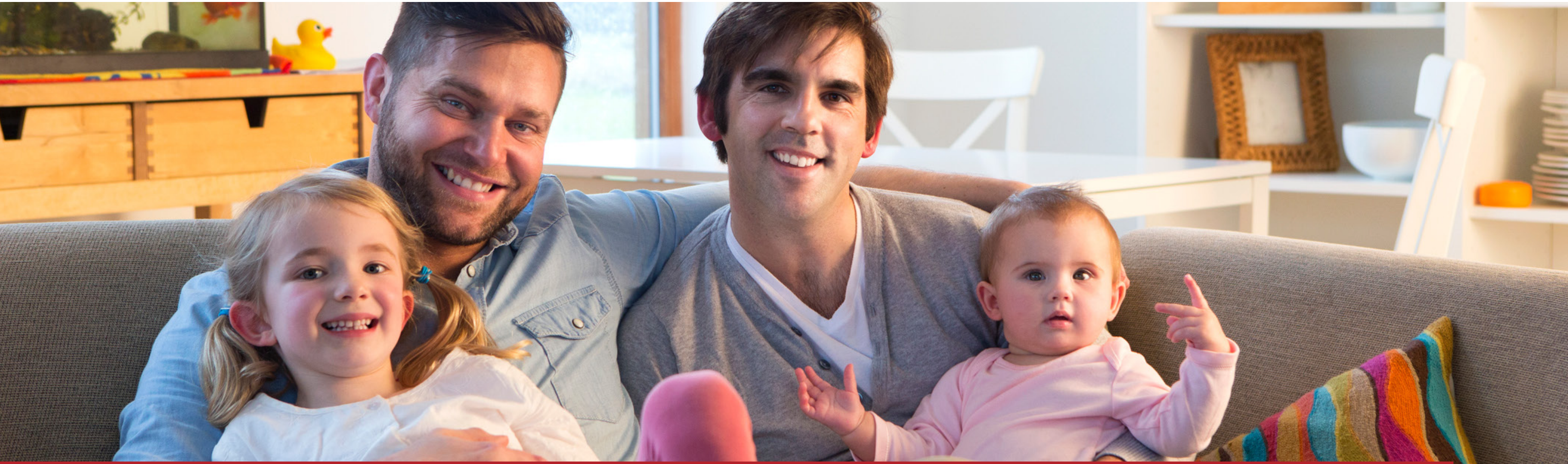
- Do they run their own independent businesses or did they just buy a franchise business from a corporation?
- Are they bank employees or partially owned and funded by a brand name institution?

Reach

Make sure your risk advisor has what's known as an open APL (Approved Product List) giving them access to all risk insurance companies, not just a handful of brand names who pay to be listed on a restricted product list.

Connection

- Are they active in the broader community and sharing their knowledge?
- Are they a publicly verifiable for-profit and for-purpose business?
- Could you see yourself benefiting from their expertise, being challenged by their thinking and doing business with them for at least a few years?



Who WE are

The creator of this eGuide is **Sapience Financial and Investment Services** (the same financial advisors behind the award winning speciality brand unusualrisks.com.au)

- We're approaching 20 years experience in speciality financial services
- We've received [numerous awards and recognitions]() external to our industry and we are considered experts in our speciality.
- We have a definite philosophy about what we do and a clear process about how we do that.
- We believe in standing up and advocating for our clients and their families, so they don't have to.
- **We believe secure people lead bigger lives.**

What we do

Everything we do is about helping people protect and provide for their families and their businesses. We work particularly well with families and family run businesses to help reduce their risks and increase their confidence.

Ownership

We're privately owned by Drew Browne, an independent business owner and entrepreneur. Being a privately held company means we can put the best interests of our clients ahead of having to meet mandated product sales and inhouse brand sales targets.

Reach

Our legal and business background means we work particularly well with accountants and lawyers, while holding our own independently informed opinions about the law and the best interests of our clients - rather than simply best for our suppliers.

Our access to in house medical opinion means we have deeper understandings about medical issues while maintaining tight control over our clients information privacy.

Connection

Our heart is for today's LGBTI families and young people as they create their own unique futures, overcome unique challenges and find equally unique opportunities.

We've been recognised in the broader community

- In **2014** were we're proud business finalists in the Honour Awards for service to the LGBTI community.
- In **2016** we achieved [B Corp. certification]() — an internationally recognised externally audited certification for businesses using business as a force for good in the community.
- In **2017** we received the [Westpac Businesses of Tomorrow Award]()

Certified B Corporation

200 Businesses of Tomorrow 2017 WINNER

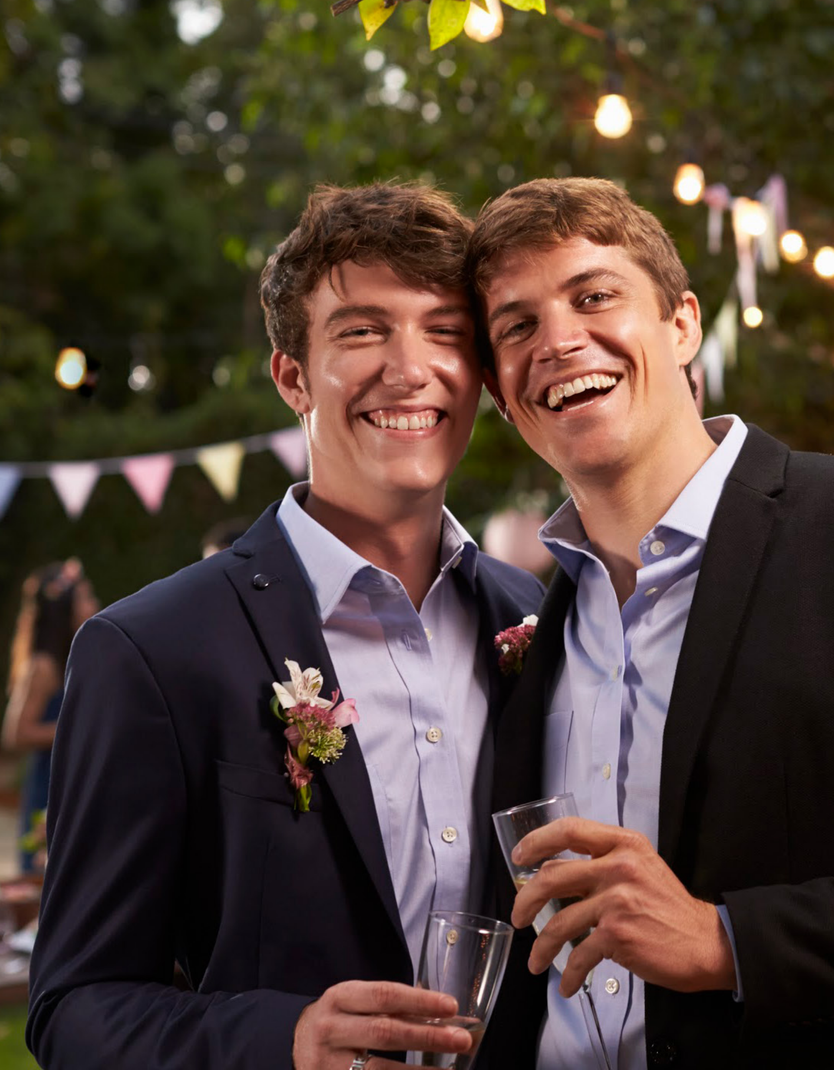
So how do you find a good financial advisor who understands the LGBTI community?

We couldn't find them so we decided to be the change we wanted to see in the world.

> "Life happens to us all and we can't control that; but we can surround ourselves with experts and those committed to our benefit."
>
> Drew Browne

We hope you've learned some useful information about the 7 financial decisions same-sex newlyweds need to make. We also hope at the same time, you've begun to see its much more about love and communication not just money.

If you'd like to connect with us as a client, friend or supporter, we'd love to hear for you.



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sapience.com.au

hello@sapience.com.au

SapienceFinancial

1300 137 403

CONTACT US

Gilbert font inspired by Pride Flag artist Gilbert Baker 1951-2017
Service inspired by the Fabulous LGBTI Community
Speciality Good Advice provided by Sapience Financial & Investment Services