

The information contained in this publication is intended for use in NSW, and relates to the law as at 1st May 2010.

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The Foundation seeks to advance the fairness and equity of the justice system and to improve access to justice, especially for socially and economically disadvantaged people.

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This publication is intended as a guide to the law and should not be used as a substitute for legal advice.

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Agencies and others Louise could contact for help and advice:

- ① The Older Persons' Legal Service (A service of The Aged-care Rights Service). Tel: (02) 9281 3600 or 1800 424 079 (toll-free)
- ① Financial Information Service (FIS). Tel: 132 300
- ① LawAccess NSW
Tel: 1300 888 529. TTY: 1300 889 529
- ① Legal Information Access Centre (LIAC) (02) 9273 1558 or liac@sl.nsw.gov.au
Tel: 1300 888 529. TTY: 1300 889 529
- ① Welfare Rights Centre -
Tel: (02) 9211 5300
or 1800 226 028 (Toll free)
- ① Her solicitor. If Louise does not have a solicitor, she could contact the Law Society of NSW Solicitor Referral Service on (02) 9926 0300 for a list of solicitors in her area who deal with property and partnership matters.



Love at Last!

Legal and financial considerations for older women negotiating new relationships



Louise never expected to fall in love again at her age. This new romance seems to be heralding some rapid changes . . .

Louise's husband died when she was only 45 and since then she has lived alone, working full time as a shop assistant. All her savings have gone into maintaining her home, which is her only asset, and she is now about to apply for the age pension.

Six months ago she met John at tennis, they started dating, and in no time at all John suggested that they try living together. Although cautious, Louise agreed after she had sought some advice from Centrelink.

A little later John decided to share with Louise his 'innovative business proposal' which involved Louise selling her home to finance the venture. He would, of course, make her a partner so that they could both share in the profits. In John's words it was a "win-win situation".

He suggested they could also rent an apartment - naturally with the lease in Louise's name, to give her "added security."

Questions Louise might ask

Q. If I become a partner in John's scheme, what are some of my legal obligations?

A. There are a number of legal obligations about which you need to be aware before you decide to become John's business partner. You would be unwise to agree to the proposal before consulting a professional about those obligations.

Q. What impact will selling my home and investing in this scheme have on my ability to qualify for the pension?

A. Selling the home and investing in John's business venture may affect your pension entitlements. It is a very good idea to contact Centrelink and also seek independent legal advice regarding the effects of the transaction on your entitlements. Centrelink have special rules regarding investments and profits derived from businesses.

Q. If John and I do move into an apartment together, should we make formal agreements regarding financial responsibilities for rent and household expenses?

A formal agreement involving significant money or property is essential, to outline your rights and responsibilities, especially as John has made a point of indicating that he wants the lease to be in your name. This would mean that liability for any defaults rests on your shoulders, and not on John's.

You also need a written agreement, to determine what responsibilities you each have regarding the financial contributions towards rent,

household bills, financing of holidays, banks accounts and purchasing of property, i.e. furniture or vehicles. Without a written agreement in place signed by both of you, it will be very hard to prove whose responsibility it is regarding financing and ownership, especially if there are any disagreements in the future.

Q. What other factors should I take into consideration?

A. Do not sign anything without getting legal advice first and make sure that your legal adviser explains everything to you before you sign.

Q. How can I let John know that my desire to protect my interests is not a rejection of him?

A. Perhaps you could have a serious talk with John along these lines:

John, you sound very excited about this proposal but it's a big step for me, and I made a promise to myself that when it came to my home I would never risk losing it. So that you can see how serious I am about your proposal, I have made a couple of appointments to see a financial advisor and a lawyer to get legal advice before I make any big changes to my situation.