When cancer changes your financial plans

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Content

- Getting started
- Preparing a budget
- What to consider
- Reducing your debts and expenses
- Increasing your income
- Bankruptcy
- Where to get help and information
- Glossary

A cancer diagnosis has a significant impact on many aspects of a person’s life. For some, it can affect their finances and cause money problems.

The way that cancer affects your finances will depend on your individual circumstances.

When cancer changes your financial plans is practical information for people diagnosed with cancer. It contains information about budgeting, what to do if you can’t pay your bills or meet your repayments, and where to go for help.

Getting started

Many people diagnosed with cancer worry how they’ll manage the financial impact of cancer.

There are many different types of costs that could add up during treatment and recovery. You may have health-related expenses such as medication, equipment and specialist fees. You may also have costs related to transport, accommodation, child-care or complementary therapies.

At the same time cancer may mean a loss of income if you have to take time off work.

Often a cancer diagnosis changes your financial plans and goals and you may need to manage your own or your family’s budget to deal with the extra costs.

When you are diagnosed with cancer it can be difficult to know where to start. There are some important questions to consider.

How will my income be affected?

If you are working ask your doctor whether you will be able to continue working while having treatment. For example, how much time will you need to have off for treatment and recovery?

Check with your employer about leave entitlements and/or flexible working arrangements.

Your partner/carer may need to check their leave entitlements as well to see whether they are entitled to leave to care for you and/or children if you are not able to work for some time.
Is there income protection insurance attached to your superannuation? If so, what are the criteria and are there any waiting periods before accessing benefits?

How much will treatment cost?

Before you decide where to have treatment it is important to check with your doctor if there are any up-front or gap costs for your treatment. If there are extra costs, find out whether there are other options or flexible repayment plans.

How do I manage my finances?

An important step to managing your finances is to fully assess your situation. See Preparing a budget for more information.

The financial impact of cancer is different for each person and will depend on the cancer type, stage and treatment, as well as your financial situation before the diagnosis.

Sorting out finances can place enormous strain on your well-being and on your relationships. Talking to a trusted family member or a professional adviser about your finances may help you see your situation more clearly. There are also a number of specialist financial and support services available that may help. Go to Where to get help and information

Get help with financial hardship early. Don’t wait until your financial situation becomes worse. Explain your circumstances to your creditors and service providers, and often they will try to help you.

Preparing a budget

Keeping track of your money is important. Preparing a budget will help you understand how much money you have and how much you need to meet your expenses. This will help you gain more control over your finances.

Write down all your income

This should include your take-home (net) pay plus bonuses, income from investments or shares, or government benefits such as a Centrelink payment.

Write down all your expenses

These may include:

- accommodation – rent/mortgage and rates
- loan repayments – car loan, personal loan, credit cards
- utilities – electricity, gas, water, phone (home and/or mobile), internet, pay TV, council rates
- insurance – home and contents, car, private health, life
- medical, dental, pharmaceuticals, optical
- food and groceries
- transport – petrol, registration, repairs, fares or parking fees
- education – child-care, school fees plus excursions and uniforms, HECS
- clothing/shoes
- entertainment
- holidays or gifts.

Choose a time frame for your budget

Decide if it will be weekly, monthly or yearly.
Calculate the difference

Work out the difference between your income and expenses.

Find a budget planner online.


- Review your budget regularly and as circumstances change.
- See a financial planner or financial counsellor for assistance.

What to consider

Sometimes people find they spend more than they earn, that is, their expenses are greater than their income. If this is the case you may want to consider the following:

How to reduce your debts and expenses

- apply for a rebate or negotiate a payment arrangement on your electricity and gas bills
- get a rebate on your water bill
- negotiate a payment arrangement for your telephone bill
- get a rebate on your council rates
- negotiate a hardship variation on your loan contract
- ask creditors to write off your debts
- apply for a Pharmaceutical Benefits Scheme Safety Net Card
- get a concession card
- make a claim for transport and accommodation expenses
- negotiate a payment arrangement for outstanding income tax
- apply to have your Higher Education Contribution Scheme/Higher Education Loan Program debts deferred
- ask your child’s school to waive or defer fees.

How to increase your income

- apply for Centrelink benefits
- get a no-interest loan
- claim on your insurance
- access your superannuation
- sell an asset
- make a workers’ compensation claim.

Reducing your debts and expenses

Help to pay your bills is available.

Utility bills

If you are having trouble paying your utility bills (electricity, gas, water or telephone), you have several options.

Apply for a hardship variation

Most electricity, gas and water companies are legally obliged to help you if you are having difficulty paying your bills by offering flexible payment options. These are called hardship programs.
Each company operates its own hardship program. The details of the program are usually available on its website or you can ask for a copy.

Once you are registered in a hardship program and are paying something off your bill, your supply cannot be disconnected.

**How to apply:** To register with a hardship program contact your provider to tell them that you are having trouble paying. They will try to help you by deferring the payment or agreeing that you can pay by instalments.

### Check if you’re eligible for a rebate or concession

Rebates and concessions can reduce the amount you owe on your utility bills.

They are usually available to customers on low incomes, people receiving certain Centrelink payments and some concession cardholders. Special rebates and concessions may be available to customers who are medically unable to regulate their body temperature or who use an eligible life support machine (such as a dialysis machine) at home.

**How to apply:** Contact your provider to apply for a rebate or concession on your electricity, gas or water bill.

### Ask about payment vouchers and grants

In most states and territories customers in financial hardship can receive payment vouchers or grants to put towards their utility bills. These may be distributed through community welfare agencies such as The Salvation Army or Anglicare, or directly by government departments.

**How to apply:** Make an appointment with a participating community welfare organisation or see the Australian Securities and Investments Commission website [www.moneysmart.gov.au](http://www.moneysmart.gov.au).

### Register for an energy efficiency program

To help reduce your utility bills some states and territories offer free energy and water efficiency assessments to help customers reduce their usage.

**How to apply:** Call the national Home Energy Saver Scheme (HESS) free call Helpline on 1800 007 001. You can also visit [www.livinggreener.gov.au](http://www.livinggreener.gov.au) for energy saving tips.

### Council rates

Many local councils have a rate assistance or rebate policy for people in financial hardship. You may be able to:

- claim a concession entitlement – available to Centrelink Concession Card and DVA Gold card holders
- negotiate a payment plan – you may be able to pay by instalments.

**How to apply:** Contact your local council for more information.

### Loans and credit cards

If you are unable to make repayments on your credit card or other loans – for example, home loans or car loans – several options are available. Don’t wait until you have fallen behind on your loan repayment. It is important to address your financial hardship early, before a credit card provider or lender begins legal proceedings against you.
Talk to your loan provider

Sometimes if you let your financial institution or credit card provider (the creditor) know that you are experiencing financial hardship because you or a family member have cancer, they may be able to help.

The creditor may agree that you can:

- stop making repayments for a short time, such as 6–12 months
- make lower repayments for a short time
- pay by instalments
- reduce the total amount owing
- extend the term of the loan
- waive the debt altogether.

Making a payment arrangement as soon as possible can protect your credit rating, known as your credit report.

How to apply: Contact your bank, financial institution or credit card provider to make an arrangement. It’s important to get the arrangement in writing.

Talk to a lawyer if you need help understanding any of the documents.

- If the creditor agrees you can stop making payments for a short time, confirm that interest and fees will not be charged during that period.
- Be careful of businesses advertising debt agreements to avoid bankruptcy which can often be expensive.

Always get independent advice from a financial counsellor before making a debt agreement or considering bankruptcy.

If you cannot come to an agreement, see Apply for a hardship variation below.

Apply for a hardship variation

If you can’t reach agreement with the creditor you may be able to apply for a hardship variation. This is a formal process where you ask your credit provider to vary the terms of your loan contract.

You have a legal right to ask for a hardship variation if you meet all the following conditions:

- your loan is for a personal purpose not a business loan
- you can reasonably repay the debt
- you can’t pay at the moment due to illness, unemployment or another reasonable cause.

If your financial hardship is long-term, you may need to consider other options including a compassionate grounds debt release, selling assets or – as a last resort – bankruptcy.

You can ask your provider for reduced repayments or a complete hold on repayments until your situation has improved.

Getting a hardship variation can protect your credit rating. If you get a variation agreement before your bank records it on your credit report and you are up to date with the lower repayments then the bank can’t record it later.

How to apply: Write to the bank. If there is a nominated person or department that deals with financial hardship address your letter to that department. The lender is required by law to respond to your request in writing within 21 days.
What to do if your request is refused

If your application is refused the lender must give reasons. If you think the reasons provided are unfair you can complain to an external dispute resolution (EDR) scheme. This is a way to get disputes decided by an independent party without any cost to you and without going to court.

Both the Financial Ombudsman Service (FOS) and the Credit Ombudsman Service (COSL) provide EDR. You can only use the service that your credit provider has joined.

You can contact FOS on 1300 780 808 and COSL on 1800 138 422 to find out if your credit provider is a member.

Consider refinancing

You may be considering rolling all your loans into one as a way of managing your repayments. This is called consolidating or refinancing.

Sometimes unscrupulous lenders take advantage of people in financial difficulty. They might offer refinancing or debt consolidation deals which can lead to more problems. They charge very high establishment fees and interest rates, and make the loan term very short even for a big loan. This is called predatory lending. If you think you have a loan with a predatory lender it’s important to seek legal advice immediately.

How to apply: Before you refinance get independent advice from a financial planner or financial counsellor.

Ask if you’re eligible for debt release

In some special circumstances you can ask the lender to write off (release) your debt altogether. This is rare and is usually only an option for people who have been on Centrelink for a long time and have no assets except household goods and tools of trade.

How to apply: If you think you may be eligible ask a lawyer or a financial counsellor to help you apply to have your debts released.

Check if you have credit card repayment protection

Credit card repayment protection will help cover repayments if you’re not able to work due to illness, permanent disability or death.

How to apply: Speak to your credit card provider

What to do if the creditor takes you to court

• Get legal advice straight away – if you receive an official court document, such as a statement of claim, you usually have only 28 days to respond.
• Never ignore a statement of claim – you may have the right to get the statement of claim put on hold and bring the dispute to an external dispute resolution scheme. This may give you an opportunity to make a repayment arrangement. If you don’t respond the creditor can get default judgment against you. This means that the court will order that you must pay the money to the creditor. If you don’t the creditor may be able to take some of your income or assets to repay what you owe.
• Check your statement of claim is genuine – sometimes debt collectors can give you documents that look like a statement of claim but aren’t. This is fraud and is against the law. If you are not sure whether the statement of claim you have received is genuine see a lawyer.
Medical and pharmaceutical expenses

The Australian Government offers several benefits that can help you with the cost of buying pharmaceutical medicines.

Claim through Centrelink benefits

If you receive certain Centrelink payments you may be eligible for assistance with the cost of medicines. Options include:

- Pensioner Concession Card – This can make some medicines cheaper through the Pharmaceutical Benefits Scheme (PBS). The card may also entitle you to bulk billing for doctor’s appointments (this is your doctor’s decision) or more refunds for medical expenses through the Medicare Safety Net.
- Pharmaceutical Allowance – For some people, this is a separate payment of $6.20 per fortnight for singles or $3.10 per fortnight each for couples. For people receiving the Disability Support Pension, an amount to assist with the cost of pharmaceuticals is included in the Pension Supplement.

How to claim: You do not need to make a claim for the Pharmaceutical Allowance or the Pension Supplement, as Centrelink will automatically assess your eligibility and pay you with your regular fortnightly payments if you qualify.

Get a PBS Safety Net card

The PBS pays most of the cost of pharmaceutical medicines. Patients make a capped contribution per prescription.

How to claim: Keep a record of your PBS medicines. You can record the medicine on a Prescription Record Form, which you can get from your pharmacy. Your pharmacist might be able to keep a computer record for you but if you visit different pharmacies it is best to keep your own paper record. Once you or your family reach the Safety Net Threshold you can get a PBS Safety Net card from your pharmacist.

With this card your medicine/s will be discounted, or free, for the rest of the calendar year.

If you have a family ask your pharmacist to combine the amounts for your family Safety Net total so you can reach the threshold sooner. A PBS Safety Net family is:

- a couple legally married and not separated or a couple in a de facto relationship, with or without dependent children
- a single person with dependent children.

Transport expenses

If you live in a rural or regional area, seeing a medical specialist can require a lot of travel. There are several ways you can save money on travel costs to and from your hospital appointments.

Make a patient transport claim

Every state and territory has a scheme that provides financial help to people who need to travel long distances to access specialist medical treatment that is not available in their local area. Many schemes also cover accommodation.

The eligibility rules are different for each scheme. In general you must be a permanent resident of the relevant state or territory and you must need to travel a significant distance to the closest available specialist treatment.
Most patient transport assistance schemes are not means tested. The schemes are not usually full payment schemes; they are subsidy schemes that only pay a portion of your costs and patients often need to contribute towards the cost of travel and accommodation.

In some cases benefits may be paid for interstate referrals if treatment is unavailable in your home state. Subsidies may also be available if you need to be accompanied by someone (escort) when you travel for medical reasons.

**How to apply:** If you meet the eligibility criteria you will need to complete a form available through the relevant state or territory government health department. Your doctor will also need to complete the form before you can lodge it with the department. Depending on where you live you may need to provide original tax receipts and medical certificates to support your application.

If you are the holder of a pension or health care card you may be able apply for assistance with the up-front costs associated with travel and accommodation while seeking treatment rather than covering the costs then seeking reimbursement later.

**Apply for a Pensioner Concession Card**

If you receive certain Centrelink payments, you may be eligible for a Pensioner Concession Card. This may mean that you can get:

- reduced fares or free journeys on public transport
- reductions on car registration.

**How to apply:** You will automatically receive a Pensioner Concession Card if you are receiving an eligible Centrelink payment.

**Income Tax**

If you have a tax debt and you cannot pay it in full you can arrange to pay by instalments.

**How to apply:** This will depend on the amount you owe. See below for further details or visit the Australian Taxation Office (ATO) website [www.ato.gov.au](http://www.ato.gov.au).

**Debt less than $25,000**

Call **13 28 65** to set up a payment schedule using the 24-hour automated telephone service. You will need to state:

- your tax file number (individuals) or ABN (businesses)
- the amount outstanding.

You then need to nominate how much to pay. You will be prompted to say an amount and whether it will be paid weekly, fortnightly, monthly or in a lump sum. If you don't know how much you can pay you can say “make a suggestion” and the ATO will suggest an arrangement.

You'll be asked to set a date for your first payment. Choose a date at least 15 days after your phone call.

If the ATO accepts the arrangement you suggest they will send you a confirmation letter within 15 days.

**Debt more than $25,000**

You will need to speak to someone at the ATO on **13 11 42**.

They will ask about your financial situation including:

- why you haven’t been able to pay
• how you plan to pay the debt
• how you can avoid these circumstances in the future.

They will discuss your individual circumstances and work with you to make an arrangement that is manageable. If the debt concerns your business you may need to demonstrate that the business is still viable.

An amount of interest, called the General Interest Charge, accrues on unpaid tax debts. In some cases you can get this interest back when the debt is fully repaid.

To find out more about tax debt call ATO on 13 11 42.

Education expenses

Defer HECS/HELP debts

If you have a Higher Education Contribution Scheme (HECS) or Higher Education Loan Program (HELP) debt and you are in financial hardship you may be able to defer your repayments.

To defer your repayments you will need to show that:

• making repayments would cause you serious hardship
• there are other special reasons.

‘Serious hardship’ means that you are unable to provide food, accommodation, clothing, medical treatment, education or other necessities for you or your family.

If your application is successful your repayments are not waived but they are deferred to the next financial year. If you want to defer your repayments for another year you need to reapply.

Negotiate school fees

Many private schools are willing to make arrangements for parents who are experiencing unexpected hardship and are unable to pay school fees in the short term. This is particularly true if your child has been at the school for some time or is at a critical stage in their education such as completing their final years. Some schools have hardship scholarships or bursaries that may be available if you have a reduced income for a period.

As soon as you become aware that your financial situation has changed contact the school principal to discuss your options.

These may include:

• investigating scholarships or bursaries to assist paying school expenses
• negotiating a payment arrangement
• requesting a temporary suspension of your fees.

It’s a good idea to obtain written confirmation about any changes that you have negotiated.

If you are unable to reach agreement with the school you could consider approaching the school council.

Increasing your income

If you’re having difficulty paying your debts you may want to consider ways to increase your income.
Apply for Centrelink benefits

There are a number of Centrelink payments available to people with cancer and their carers including:

- Disability Support Pension
- Sickness Allowance
- Newstart Allowance
- Carer Pension and Carer Allowance
- Bereavement Allowance.

If you receive an income support payment from Centrelink you may also be eligible for the Pensioner Concession Card or the Health Care Card which can reduce your expenses even further.

For more information see www.humanservices.gov.au.

Get a no-interest loan

A no-interest loan scheme (NILS) loan is typically between $800 and $1,200 and helps people buy whitegoods, furniture, medical appliances or other essential household items.

They are usually available to people on a low income who are unable to qualify for other affordable finance and who need the household item to improve their health or well-being. Generally you must be able to repay the loan over a 12–18 month period. NILS loans are provided to eligible clients by a number of charitable organisations. For a list of NILS providers, visit www.goodshepherdmicrofinance.org.au/find-provider

Claim on your insurance

If you have an insurance policy such as private health, travel, trauma, consumer credit, mortgage or another kind of insurance that might cover you it’s important to make a claim as soon as possible because there may be time limits that apply to making a claim.

If you are not sure whether you are covered contact the insurer. If you think you should be covered but your claim is denied you can complain to the Financial Ombudsman Service.

Many people don’t know that they have insurance attached to their superannuation. Some industry funds, as well as many retail funds, offer insurance by default. In many cases you will be covered as long as you did not choose to ‘opt out’.

Common types of insurance provided through superannuation funds include:

- income protection (usually paid as an income stream)
- total and permanent disability (usually paid as a lump sum)
- death and terminal illness (usually paid as a lump sum).

To find out whether you are covered check your statements or contact your fund.

Access your superannuation

In Australia superannuation (super) cannot generally be accessed before you are 55 years old. However you can apply to access some or all of your superannuation early in some circumstances such as specific compassionate grounds or on grounds of severe financial hardship.

How you can do this will vary depending on your age.

Aged 65 or over or you are at least 55 and you have permanently retired from the workforce – you can access your super as a lump sum or as an income stream.
Aged 55–64 and you are still working – you can access your superannuation as a non-commutable income stream to top up your salary. You can receive a maximum of 10% of your superannuation account balance each year.

Under 55 years old – the law allows you to access your superannuation early in certain circumstances including:

- where you need the money to pay for medical treatment or transport to and from medical treatment
- where you need the money for home loan repayments to prevent foreclosure
- to make necessary home modifications to accommodate a disability
- to pay for palliative care expenses, funeral, burial or cremation costs
- if you are terminally ill and likely to die within 12 months
- if you are unable to ever return to work
- if you have been receiving a Centrelink payment for 26 weeks continuously and you cannot pay your living expenses.

How accessing your super affects insurance entitlements

Premiums for insurance attached to superannuation accounts are often deducted directly from your preserved amount.

This means that if you withdraw all your super you may no longer be up to date with insurance premiums which can affect any claim you make. Before you access your super early make sure you have investigated your insurance entitlements. If you are in any doubt talk to a financial planner.

Sell an asset

You may be able to sell an asset, such as a house, car or investments, to give you more cash to meet your day-to-day expenses or repay your debts.

It’s a good idea to speak to a financial planner for advice on which assets to try to keep and which could be sold or converted into cash to pay your debts. If you are considering cashing in superannuation or other similar policies, or if you are selling shares, make sure you get advice that explains taxation issues and maximises the return you get.

If a lender has commenced enforcement action against you because of a debt you owe them you have a legal right to ask them to postpone enforcement to allow you to arrange the private sale of your asset. It’s a good idea to do this because you will probably get a better price if you arrange the sale yourself or through an agent. You should put your request in writing to the lender.

Make a workers’ compensation claim

Workers’ compensation provides protection to workers and their employers in the event of a work-related injury or illness.

If you think your work has substantially contributed to your cancer diagnosis you may be entitled to workers’ compensation.

This may include weekly payments, lump sums for permanent impairment, payment of medical bills and intensive rehabilitation assistance. If a person dies because of a work-related cancer their dependants may be able to claim a lump sum amount.

Work-related cancers can result from exposure to:

- sunlight
- dusts, fumes or other substances (such as asbestos, diesel exhaust, vinyl chloride, heavy metals, solvents and pesticides)
- ionising radiation.
People who have worked in the sun such as labourers, wharf workers and postal service workers, and people who have been exposed to toxic dust and chemicals such as construction workers, painters, armed services personnel, forestry workers and people involved in the manufacture of machinery or plastics should consider whether their cancer may be work-related.

To make a claim you will need to notify your state or territory workers’ compensation authority about your cancer and why you think it is work-related. A time limit may apply for making a claim.

**Bankruptcy**

Bankruptcy is a legal process that releases you from your debts.

If you have debts that you’re unable to pay and you cannot come to suitable repayment arrangements with your creditors you may decide to become bankrupt. Bankruptcy is a major decision with serious consequences. It is important to get advice from a qualified financial counsellor before applying for bankruptcy.

To become bankrupt you must lodge a form with the Australian Financial Security Authority (AFSA) [www.afsa.gov.au](http://www.afsa.gov.au)

**What happens if I become bankrupt?**

- Your credit rating will be affected for seven years.
- A permanent record of your bankruptcy is listed on the National Personal Insolvency Index (an electronic public register which can be accessed by anyone for a fee).
- You must notify your trustee of any change in your income or if you inherit any property, win money or receive any other assets.
- You are required to notify your trustee if you change your name or move house.
- You cannot travel overseas without your trustee’s written permission.
- You must continue to pay child support, HECS debts, unliquidated debts and fraud debts.
- When you are borrowing money or buying goods on credit you must inform the person you are dealing with that you are an undischarged bankrupt.
- You cannot usually be a director of a company or be involved in its management.
- You may not be able to remain employed in particular trades and professions.
- You may not be able to continue court action that you have started.

When you are declared bankrupt a trustee will be appointed to your case. The trustee will take control of most of your financial affairs. You can choose to appoint a registered trustee – for a list see [www.afsa.gov.au](http://www.afsa.gov.au) and search for registered trustees.

If you do not choose a trustee AFSA, which is the official government trustee, is initially appointed to administer your estate. Your creditors may choose to change the trustee at any time.

Your creditors are notified of your bankruptcy and unsecured creditors (such as credit card providers) should stop pursuing you for payment of your debts. Once you are bankrupt your creditors have to deal with your trustee to have their debts repaid.

**How are my creditors paid?**

To pay your creditors the trustee will:

- sell your assets (although you will be able to keep some types of assets)
- take an amount from your income once you earn over a certain amount to give to your creditors
- investigate your financial affairs
- recover property or money that you have transferred to someone else for less than market value.
How long does bankruptcy last?

Bankruptcy generally lasts for three years but can be extended in certain circumstances. During this time you are an ‘undischarged bankrupt’ and there are obligations on you and restrictions on what you can do. After this time, your bankruptcy is discharged and these restrictions no longer apply.

Where to get help and information

Help from organisations

Support to help you cope with the financial impact of cancer is available from a wide range of organisations and health professionals.

Financial Counselling Australia
Information about financial counselling and help to find a counsellor 1800 007 007
www.financialcounsellingaustralia.org.au or www.debtselfhelp.org.au

Money smart
This is the Australian Securities and Investments Commission (ASIC) consumer website. Offers free financial tips and safety checks, including budget calculators 1300 300 630 www.moneysmart.gov.au

Government benefits
Department of Human Services (includes Centrelink and Medicare) Financially supports people in need 13 27 17 www.humanservices.gov.au

Pharmaceutical Benefits Scheme
Supports people needing medicines by providing them at a subsidised price 1800 020 613 www.pbs.gov.au

Bankruptcy
Australian Financial Security Authority (formerly called Insolvency & Trustee Service Australia)
Information about bankruptcy and personal insolvency agreements 1300 364 785 www.afsa.gov.au

Dispute resolution
Financial Ombudsman Service
Independent dispute resolution scheme for the financial services industry 1300 780 808 www.fos.org.au

Credit Ombudsman Service
Independent dispute resolution for financial services and product providers 1800 138 422 www.cosl.com.au

Telecommunications Industry Ombudsman
National independent dispute resolution scheme for complaints about phone or internet services 1800 062 058 www.tio.com.au

Legal advice
Cancer Council Legal Referral Service
Supports people affected by cancer needing legal advice 13 11 20

No-interest loan schemes
Good Shepherd Microfinance Provides information about NILS providers 03 9495 9600 www.goodshepherdmicrofinance.org.au

Taxation
Australian Taxation Office
Tax information 13 28 65 (24-hour self-help) www.ato.gov.au
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>asset</td>
<td>Something you own—it may be a financial item such as money, bonds, shares or a bank account or physical item such as a house, land or a car</td>
</tr>
<tr>
<td>bankruptcy</td>
<td>A process for individuals to be legally declared as being unable to meet their debt obligations</td>
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<tr>
<td>budget</td>
<td>A written plan that shows how much money you have coming in and how much money you spend</td>
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<tr>
<td>credit provider</td>
<td>These are banks, building societies, department stores and car dealers that offer to lend you money, also called lenders</td>
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<tr>
<td>credit rating</td>
<td>An estimate of a person’s ability to fulfil financial commitments, based on their borrowing and repayment history</td>
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<tr>
<td>credit report</td>
<td>A report that details your credit history including every time you have applied for credit or defaulted on a repayment. It is held by a credit reporting agency and a lender must ask you for permission to get this report</td>
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<tr>
<td>creditor</td>
<td>A person you owe money to</td>
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<tr>
<td>debt</td>
<td>Money you owe</td>
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<tr>
<td>debt consolidation</td>
<td>When several debts are combined into one with the aim of reducing repayments, also known as loan consolidation</td>
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<tr>
<td>default judgement</td>
<td>The case is heard in court without you being there and the court orders that you must pay the money to the creditor</td>
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<tr>
<td>debt release</td>
<td>The cancelling of a debt in whole or in part</td>
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<tr>
<td>establishment fee</td>
<td>A one-off fee which may apply to set up a personal or other loan</td>
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<tr>
<td>external dispute resolution</td>
<td>A free independent dispute service that is an alternative to going to court</td>
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<tr>
<td>financial counsellor</td>
<td>A person who gives free confidential and independent assistance to people with financial problems. Financial counselling services are usually provided by community or welfare organisations</td>
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<tr>
<td>financial hardship</td>
<td>When you are unable to pay your bills due to medical or other circumstances</td>
</tr>
<tr>
<td>financial planner</td>
<td>A person or authorised representative of an organisation licensed by the Australian Securities and Investments Commission to provide advice on some or all of these areas: investing, superannuation, retirement planning, estate planning, risk management, insurance and taxation</td>
</tr>
<tr>
<td>hardship variation</td>
<td>A formal process where you ask your credit provider to vary the terms of your loan contract</td>
</tr>
<tr>
<td>insurance</td>
<td>A contract between a company and an individual that guarantees a payment in the case of covered loss, accidents or death</td>
</tr>
<tr>
<td>interest rate</td>
<td>The rate charged by lender to a borrower for the amount of money borrowed and the money paid in return for its use. This is usually expressed as a percentage of the total amount loaned</td>
</tr>
<tr>
<td>minimum payment</td>
<td>The lowest amount that must be paid each month on a debt such as a loan or credit card</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>no-interest loan scheme (NILS)</td>
<td>A community program that provides interest-free loans for people on low incomes</td>
</tr>
<tr>
<td>non-commutable income stream</td>
<td>An income stream that cannot be converted into a lump sum payment</td>
</tr>
<tr>
<td>payment protection insurance</td>
<td>Insurance that takes over repayments for a loan or credit card if you become ill</td>
</tr>
<tr>
<td>preserved amount</td>
<td>The contribution you make to superannuation plus any interest earned on these amounts</td>
</tr>
<tr>
<td>preservation age</td>
<td>The age at which you can withdraw your superannuation money</td>
</tr>
<tr>
<td>rebate</td>
<td>A refund following a purchase</td>
</tr>
<tr>
<td>refinance</td>
<td>When you replace or extend an existing loan with funds from either the same or a different bank or financial institution</td>
</tr>
<tr>
<td>statement of claim</td>
<td>An official court document that starts court proceedings unless you respond</td>
</tr>
<tr>
<td>superannuation (super)</td>
<td>Money that a person and their employer put into a special fund during the employee’s working life to provide them with money to live on when they retire</td>
</tr>
<tr>
<td>trustee</td>
<td>A person appointed to manage your estate if you are declared bankrupt</td>
</tr>
<tr>
<td>undischarged bankrupt</td>
<td>A person who is still under the period of their bankruptcy. They have obligations to their trustee and have various restrictions on their conduct</td>
</tr>
</tbody>
</table>

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