Commitment Support guide.

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Introduction.

Finding your life partner and planning a future together is a really exciting time.

Throughout your union, you will learn so much about each other – remember to play to each other's strengths and work with each other's limitations. No individual is perfect and relationships require time, effort and understanding.

Openly communicating about finances, careers, domestic duties and family expectations on a regular basis is important. As is having a financial plan or budget and working together towards the bigger picture. There are many people, organisations and services that can help you create a great future together.

Westpac is also here to help you make decisions about your finances. In this book, we hope to share information, ideas and options for you to implement as you see appropriate in your relationship.

Getting to know each other financially.

What to consider before you combine finances.

Ideally you will both strive towards the same financial goals and outcome. Some things to consider with your partner include:

1. **Discuss.**
   Having an open and frank conversation about how you would like to operate joint finances is a great jumping-off point. Questions to cover include:

   a. How did your parents manage their family finances? What did they do well?
   b. Will you have a joint account?
   c. Where will each person's wage be deposited?
   d. What are your financial priorities?
   e. What are your partner's financial priorities?
   f. What are your joint and agreed financial priorities?
   g. What are your individual career aspirations? What is the plan to achieve this?
   h. Whose responsibility is it to ensure outgoings and bills are paid?
   i. How will you coordinate the payment of invoices?
   j. Will you allow individual accounts for each person? How much could be deposited into that each month? Where will those funds come from?
   k. Will utilities, loans and agreements be in both names? Or one person's name? For items that can't be in two names, will you give full authority to your partner? (NB: the people named on any accounts hold the liabilities and responsibilities for those funds, including the debt and interest charged)
   l. Will you set a limit on spending and when it is exceeded that the other partner needs to be consulted? If so, what is your limit?
   m. Will you give an allowance or 'pocket money' to each other for weekly expenses? If so, how much? What types of things should these funds go towards?
   n. What types of charges do you think should be automatically put on the credit card?
   o. Will you use the assistance of a money tracking app (or a budget app) to help you stay on target?

2. **Debt declaration.**
   Planning a life together is an ideal time to address any existing loans or liabilities. Common debts include (but are not limited to) personal loans, HECS/student debts, car loans and unpaid credit cards. After declaring your financial baggage, you could create a plan to pay off the debt or change the status quo. Should you pay off the smallest debt first, the debt accruing the highest interest or consolidate the debt?

3. **Asset snapshot.**
   It is equally important to discuss how you may share your current assets. Your assets may include:

   a. Cash or cryptocurrency

b. Property
c. Car
d. Shares
e. Investments
f. Trusts
g. Superannuation

Westpac has a **Proof of Balance** statement which could make it easy to share the balances in each of your accounts. This is available to download from **Westpac Live Online Banking** or is available from your local Westpac branch. You could choose to share the Proof of Balance statement or your account statement when creating your asset snapshot.

4. **Plan.**
   Knowing how you currently spend your money and how you plan to spend your joint income is an important step to ensuring that you are on the same financial page.

5. **Future goals.**
   Beyond working on your monthly/ quarterly expenses, ensuring that you both have the same future financial aspirations is important. Questions you might like to discuss could include:
   a. What are your financial goals for the next 5 years
   b. What are your partner's financial goals for the next 5 years
   c. What are your combined priority goals for the next 5 years
   d. How will you achieve these goals?
   e. How much will each goal cost?
   f. What time do you need to save that amount in?
   g. What amount are you going to put aside to save on a weekly/monthly basis to achieve this? (amount needed divided by the time in weeks/months equals your saving amount).
   h. Is this achievable?

6. **Emergency and discretionary funds.**
   Depending on your joint budget, discuss and agree upon how much money will be put aside into a separate fund for emergencies, medical expenses, unforeseen expenses or future study.

Common financial goals.

Ensuring that funds are available when you anticipate needing them is an important part of budgeting, planning and timing.

It might be worth thinking about what are your future aspirations, and what you are you saving for as a couple.

Common big-ticket items include:

1. **Wedding.**
   Planning ahead and saving for the big day saves you from starting your marriage in debt.

2. **Honeymoon and travel.**
   Most couples pay for their own honeymoon or extended travel. In some cases, they enjoy a smaller, shorter honeymoon after the wedding and plan for a bigger trip in the first year or two of marriage.

3. **Home deposit.**
   Having a home of your own, planting roots, is a wonderful family milestone. Doing research on where you want to live, what type of property you want to buy and what you could realistically afford will determine how much you will need to save for a deposit. **Read more about buying a home here.**

4. **Renovations.**
   Transforming your home to reflect your needs and style is an exciting step in the relationship.

5. **Children.**
   According to the Family Institute of Family Studies, it costs almost $1000 per week to raise a child (in 2018)

and almost $1200 per week for two children. Having extra funds saved before baby is born could help lighten financial pressures. Many families choose to save $20 or $50 per week for education or dental after birth.
Read more about planning to have a baby here.

6. **Debt reduction.**
Creating a united front and tackling the debt can be an exciting achievement. Reviewing your budget and finding ways to pay it off quickly is important For instance, you could consider consolidating the debt free-up credit if needed later on.

7. **Re-training/study.**
Some people find their passion later in life, while others choose to up-skill. To do this, it generally costs money. Deciding whether you save for future study or whether to apply for a loan and pay it off will depend on your individual circumstances.

In each instance above, reviewing your budget, your ability to pay-off loans and how much you could put towards savings will depend on your own personal circumstances. Talk to your accountant, financial adviser and bank about what is suitable to your situation.

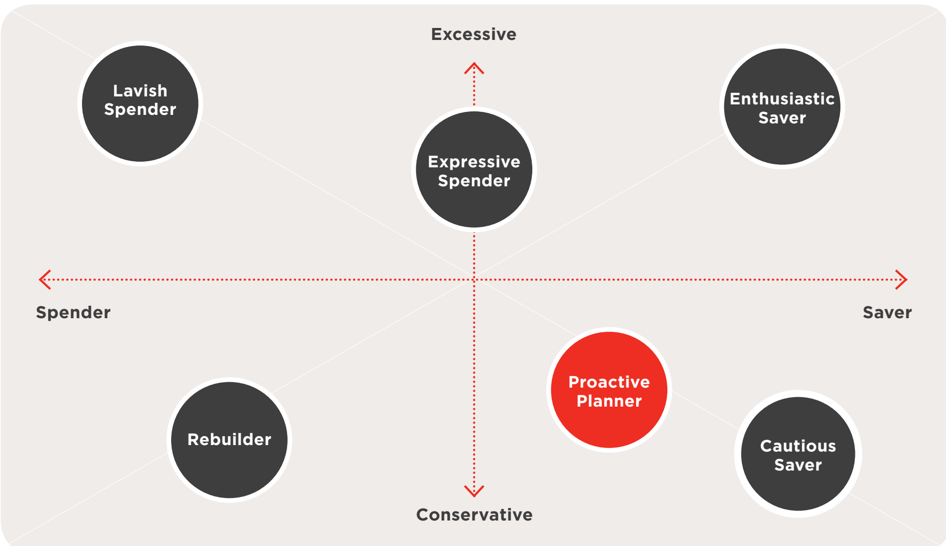
Four financial languages.

There is a theory that in a relationship, there are 5 “love languages”. The way you show love to others is the way that you like to be loved and this is your primary “love language”.

Did you know that you also have a primary “financial language” too? Simply put, we have two distinct groups – **the spenders and savers** – and in each of these groups there are the **‘conservative’** and **‘excessive’** ranges.

See graph below for reference.

Four financial languages



The table below outlines some common profiles* – could you identify which one's best represent your partner and yourself?

Financial profile:	Relationship factors:
• **Cautious Saver.** This person is financially secure, detailed and rigid with finances. They don't like opening the wallet and spending frivolously. They have a considerable about of savings and do it well. This person may be more conservative because of a previous disadvantaged or unfortunate financial experience.	• Despite being abreast of the finances and the accounts, this person could benefit from having a vision and long-term plan. Set a budget for lifestyle, splurging, having fun or towards 'risk'. This person needs to learn to be more flexible with their finances when sharing with another person.
• **Proactive Planner.** This person is educated financially. They are proactive and budget appropriately. This person is able make regular and substantial contributions towards saving while balancing funds to enjoying a lovely lifestyle.	• This person would be an ideal person to learn to budget and save from. They may become a little too ridged with tracking spending. This person may benefit by being challenged to dream bigger and recognize potentially overlooked opportunities. A financial advisor may be helpful with their savings to make it work hard for them.
• **Rebuilder.** This person may have suffered a life change or downturn in their financial standing. This person is re-establishing themselves financially by using a plan and a budget. The changes are slow and incremental. They may be upskilling and are certainly paying off debt but not currently at the point of saving.	• This person has a vision and a plan and will be somewhat inflexible until they achieve the goal. Perhaps consider small celebrations (or splurges) as you achieve milestones. Consolidating the existing debt may be helpful.
• **Enthusiastic Saver.** This person finds a financial trend, applies it to their lifestyle, makes a plan and sticks to it. They follow the trends and switches from one trend to another. This person is not very money savvy, even though they could follow directions or a plan.	• Switching financial trends could be seen as inconsistent or flippant. Make sure that you set a date for each of the plans and a review at the end. You might find that taking the best out of several different methods and applying them into one system which works best for you and your lifestyle. A financial planner or advisor may be able to assist.
• **Expressive Spender.** This person's wage is spent almost as quickly as it is earned. This person may be considered 'one pay-check away from poverty.' They know what they should do with money but not necessarily how. This person doesn't have excessive debt and also doesn't have much in the way of savings. This person has limited financial discipline and the way that they spend money reflects how they feel.	• A strict budget and plan would be good here. Perhaps consider taking away the credit card and living off cash. If this is a visual person, literally putting the budget into dedicated jars for weekly spending may assist with sticking to the plan. This person may lack the ability to make a connection between small actions today which become big rewards tomorrow. This person also needs better ways to channel their feelings without spending money.
• **Lavish Spender.** This person spends lavishly because they are either financially generous or ignorant. This person isn't overly disciplined with money, may not have a budget, has a significant amount of debt and is not considered financially well-educated. This person often relies upon credit to pay bills and fund their lifestyle.	• The financial details are not a high priority to this person. This person would do well learning what their lifestyle costs, how to budget, reduce debt and plan for the future. If their partner is better managing finances, then this person would be well served to learn from their partner and what they do well financially. The partner of a Spontaneous Consumer needs to offer this person space to grow and learn.

**Westpac research 2017*

Differences between you and your partner are ok – it will often mean that you will each have your own financial strengths and weaknesses.

Ideally, you will both have an equal say in decisions, including those that involve money. Where you need to, engaging the assistance of your accountant, financial adviser or financial planner may be incredibly helpful to get you on track to where you would like to be financially.

Wedding budget.

if you are planning on getting married it is important that your wedding budget reflects what both you and your fiancé want while not sending you deep into debt. How you and your fiancé manage the financial discussions, budget and planning of your wedding day, could be a wonderful and enjoyable first financial test for your marriage. Having a clear budget, shared goals, realistic perspective and a commitment to creative solutions, will make for an amazing wedding day.

There are a number of templates available on the internet or you could create your own to plan your wedding budget.

Sharing finances.

To share or not to share.

Not every couple creates joint bank accounts or shares financial responsibilities. What is important is that you and your partner find a method that works for you both. Some couples have:

1. **Complete independence.**
   Some couples don't share any funds – they may decide that particular outgoings are the responsibility of one person or they may decide to split the costs based on an agreed percentage and pay it directly themselves
2. **Independent accounts with a shared account.**
   Some couples agree to keep their own individual bank accounts and have one shared account (and credit card) for the joint expenses. This may include household rent/mortgage, utilities and groceries. In this situation, the couple often agrees to deposit a nominal figure into the account each pay cycle.
3. **Exclusively shared accounts.**
   Other couples have firm beliefs that when you are together that all finances are pooled into one place and everything is paid from these accounts. Regular conversations about 'out of the ordinary' payments will reinforce transparency. In this situation, it is important to agree upon who will be paying the bills and what the preferred method of payment will be.

The following items are to be considered for couples sharing accounts:

1. Both sign (two to sign) for withdrawals from off-set accounts.
2. Both receive mortgage/ loan statements.
3. Both have access to internet banking.
4. Both to have involvement and input when consulting a financial adviser.

5. Both to have involvement and input when applying for a loan.

Approaching your finances with transparency and equality, regardless of who is the primary income earner or whose responsibility it may be to ensure bills are paid, will surely be a positive step in your relationship.

Are you in a de facto relationship?

Some people choose to cohabitate and not legally marry, in which case they may be in a de facto relationship without necessarily realising. Below is a list of some of the key indicators that you may be in a de facto relationship:

1. Combined finances, or health insurance or payments.
2. Registration of a de facto relationship in a state or territory that requires relationships to be registered.
3. You are engaging in an intimate relationship.
4. You are living together in a genuine relationship for 2 or more years.
5. You have children or support children together.
6. The joint ownership, use and acquisition of property.
7. Attending functions together such as weddings, engagement parties, and other functions.

Living together for the first time:

Setting up home and living with your committed partner is really exciting. Here are five areas for you to discuss before moving in, or during the early days of living together:

1. Discuss how domestic duties will be divided or distributed. By sharing the household chores, you will be affording yourselves extra quality time together and/or time to work on your interests.
2. Respect the adjustment period. Be patient and kind to each other as you get familiar with each other's personal habits and nuances.
3. Coordinate whose primary responsibility it is to ensure that bills are paid. Bills, expenses and outgoings need to be discussed, agreed upon and paid.
4. Create some mutual house rules and respect them. Identify a group of house rules that you both agree to and adhere to for the comfort of the home's occupants.
5. Respect the budget. Creating and adhering to a budget is essential for moving towards a common goal.

Already living together.

Many couples today choose to live together without formalising their commitment to each other. In this situation, deciding to take the 'next step' in commitment, is a great opportunity to review how things have been going and make a course-correction with anything that may need to be tweaked. You might like to consider:

1. **Debt declaration.** Now is the time to have the frank open conversations about what is going on financially. Commence your "debt declaration" and inform your partner about any debt that you may have.
2. **The good and the bad.** Identify what you think has been going well in the relationship and identify areas that you could both work on for the long-term benefit of the relationship.

3. **Review your goals.**
   Make sure that you are going in the same direction with finances, goals, family changes etc.

Your options when bringing property into the relationship.

Some common options that couples agree upon with regards to property owned prior to the relationship include:

1. **If one person owns property prior to the union.**
   a. Will you both live in it?
   b. What if it is currently rented to a third-party? You could choose to live together in another property (rented or purchased together)
2. **Both parties independently own property.**
   a. Will you both live in one and share the income from the other (an investment) property?
   b. Will you both make your properties into investments and rent another property together to live in?
   c. Will you turn both of your properties into investments and purchase a new property together?

It is important to know that the home that you choose to live in becomes the marital home and becomes an asset of the union). So, if you or your partner has property, it is recommended that you consult your professional team for advice.

Financial agreements and why it is a good idea to have one.

Financial agreements, previously referred to as pre-nuptial agreements, are becoming widely accepted in marriage. This agreement will outline the distribution of assets, liabilities and how (and whether) any maintenance is required. The agreement will need to be lodged at Court and must be done with the advice of independent lawyers. It is common when one person in the relationship has more assets than the other, or when both people come into the relationship with assets which they choose to retain as their own throughout the union. This could be written up either before the commencement of the relationship, during the relationship, or both. Financial agreements should ideally be regularly reviewed and updated as circumstances change, such as life events, children and assets.

You should consider seeking appropriate legal and accounting advice about whether a financial agreement is right for you and your circumstances.

Throughout the relationship.

Keeping financially fit.

it is important for couples to regularly review their financial situation. This allows time for money-specific conversations and a great opportunity to talk about what you've done well as a couple financially and what your future aspirations as a couple are. Consider implementing the following:

1. Have a family meeting about your finances regularly i.e. monthly or quarterly.
2. Review your expenses, income and how you are tracking with your budget each quarter.
3. Discuss future significant expenses (car or home repairs, travel, changes in work or personal circumstances).
4. If you want to make a significant purchase or change, discuss it openly and financially plan for it.
5. Meet with your financial adviser and/or accountant for an overall financial health check at least once per year.

Your professional support team.

Having a professional, reliable and trusted team that you could turn to for guidance and assistance is invaluable. Your team supporting your relationship from a financial, legal and emotional basis may include:

1. **Legal advice about financial agreements and/or wills.**
   When you become married it is important to get legal advice to discuss your situation. You may want to consider documenting your assets including any assets that you came into after the union, as well as any particular wishes that you would like performed if you pass away.
2. **Accountant.**
   Being in a partnership, like marriage or as de facto, means potential changes to your financial and tax affairs. Consider getting professional advice on financial and tax related matters such as whether to lodge your tax returns together or independently.
3. **Financial Adviser.**
   A financial planner or adviser could help offer financial strategies and advice about your assets and investments.
4. **Relationship counsellor/family psychologist.**
   Talking to an independent party when things are going well creates a wonderful foundation to openly discussing challenges if they arise.

Remember to regularly check in with your professional team and update your documentation as your circumstances change.

Taking care of your financial business.

Trusts or family trusts.

If you are currently in receipt of dividends from a trust fund while married or in a de facto relationship, or you are a beneficiary of a trust fund, you may wish to get advice about your options, risks and entitlements from qualified professionals.

Family loans.

Your family will normally want the best for you and your partner. Some families are in a position to assist by offering a financial head-start such as a family milestone, travel or towards a home deposit.

Family gifts and loans are a generous offering to help you and your partner set up your home together. The line between what is a considered a loan and a gift could be blurred, especially when it was verbally agreed that the funds were a loan for instance. Whether the funds are gifted or loaned to you and your partner, it is important that it is documented. Without a written agreement specifically stating this, in the event of a dispute the Courts may be required to make a determination.

Loan agreements should therefore be documented in writing, formalised, signed by all parties (the person offering the funds as well as the individual or couple in receipt of the funds) and witnessed. You should consider speaking to a legal professional for advice. Remember, it is important to ensure that if you decide to formally document the loan/gift, then you and your parents as well as your lawyers keep copies of the agreement.

Insurance.

There are many different types and kinds of insurance available which could make your life easier when you need it the most.

As you grow together and the dynamic in the home changes (i.e. starting a family, taking out loans or changes in employment), just knowing that you have added financial security available as the need arises could offer a greater sense of comfort.

There are many different types of **general insurance** options available with Westpac.

Many superannuation funds have insurance cover included. Understanding your superannuation insurance cover and your entitlements is important and it may be necessary to review your situation.

Talk to your BT Financial professional today.

Update your contact details.

You are now married or in a de facto relationship, don't forget to update:

1. Register your marriage or de facto partnership with Births, Deaths and Marriages in your state or territory
2. Register your name change (if applicable) can be registered with Births, Deaths and Marriages.
3. Update your passport if you changed your surname to your spouse's family name.
4. Update your address if you are moving in together for the first time or moving home, including your mailing address and remember to notify your bank, work, super fund etc of your new contact details.
5. Update the electoral roll with your new details.
6. Update your driver's license following a change of name and/or address.
7. Think about creating or updating your Will as your life circumstances change.
8. Update your superannuation and nominated beneficiary details.
9. Update Centrelink relationship status if applicable.

Talk to Westpac.

Starting a committed relationship and setting up your future together is an incredibly exciting time, and Westpac is here to help.

After exploring your current situation and your future goals, we will be able to discuss with you accounts, cards and loans as well as simplified methods to coordinate your banking and payments. Being informed and having the right tools could make your lives easier while reducing the stress.

Your visit to a Westpac branch may involve reviewing all your independent accounts and loans as well as establishing new accounts as required – be it in your name alone, joint or as guarantor with your Banker.

With Westpac, you have access to financial advisers, home loan specialists as well as customer care, financial assistance and financial relief departments. There is so much more that Westpac could do to help you.

Helpful Westpac contacts.

Westpac knows that your time is valuable and has created a solution to save you from waiting on hold for so long. Westpac has a fast way to communicate through the **Westpac Mobile Banking App.**

Skip the queues and call directly to the department that you need assistance or advice from, or sign into your Westpac Live mobile app, tap 'Contact us', choose your service, and get connected through.

Click here to download the app or visit **https://www.westpac.com.au/personal-banking/online-banking/popular-features/connect/** for more information.

Alternatively, if you prefer not to use or don't have access to Westpac Connect, you can reach key Westpac contacts for assistance.

Westpac Assist:
A team of specialists who can assist if you're experiencing financial stress. Westpac Assist can help you with a potential solution that may suit your financial needs and goals.

1800 067 497

Monday – Friday, 8.00am – 8.00pm (Sydney time).

Westpac Home Loans:

132 558

7 days a week, 8.00am - 8.00pm

Westpac General enquiries:

132 032

(have your 8-digit customer ID and Telephone Banking access code handy)

Westpac General Insurance:

1300 650 255

Monday – Friday, 9.30am – 4.30pm (AEST time)

BT Financial Advisers:

131 817

BT Superannuation General enquiries:

132 135

Monday – Friday, 8.00am – 6.30pm (Sydney and Melbourne time).

For binding nomination changes

1300 776 417

BT Life Insurance:

1300 366 426

(for changes to beneficiaries)

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