

RESIDENTIAL AGED CARE COSTS

How much will I have to pay? It's important to understand the different fees and charges before signing up to any aged care services. Australia's aged care system contains a few different fees, and not all fees necessarily apply to everyone.

A resident's fees and charges can be made up of the following components:



1 BASIC DAILY FEE

Everyone entering an aged care home is required to pay this fee. The basic daily fee is set by the Government and increases on 20 March and 20 September each year, in line with the changes to the Age Pension. The fee is set at 85% of the single person rate of basic Age Pension.

2 MEANS TESTED FEE

This is an additional contribution towards the cost of care that some people may be required to pay. Centrelink will work out if you are required to pay this fee based on an assessment of your income and assets and will advise you of the amount.

There are annual and lifetime caps that apply to the means-tested care fee. Any income-tested care fees you have paid in a Home Care Package prior to moving into an aged care home will also contribute to your annual and lifetime caps.

3 ACCOMMODATION COST

This is for your accommodation in the home. UPA sets a total price for the room and you will have a choice of paying the accommodation cost via either:

- a) DAP – Daily accommodation payment. A fortnightly rental type payment. It is calculated using an interest rate set by the Australian Government. **Or.**
- b) A combination – Part DAP & part RAD. An initial lump sum payment is made as a portion of the total room price and a daily accommodation payment is calculated on the remaining balance. The daily calculated portion can be paid on a fortnightly basis or be deducted from the lump sum portion. **Or.**
- c) RAD – Refundable accommodation deposit. Payment of the total room price as a lump sum amount. This amount is refunded when you leave.

New residents will have up to 28 days from entering care to nominate which method of payment they prefer. The Daily Accommodation Payment is paid until a decision is made.

FREQUENTLY ASKED QUESTIONS

Do I have to sell my home when I move into aged care?

No, the full value of your former family home will not be included in the assessment of your assets if you keep it. Instead a capped amount of \$171,535.20 (as at 20 September 2020) is included or the net market value of your house, if lower.

It will not be counted as an asset if there are eligible people still living in your home.

Will I still receive the aged care pension after moving into care?

Generally, most people continue to receive the same amount of pension after moving into aged care. What you decide to do with your family home can have a big impact on your aged pension. The family home will not count in the pension asset test for two years after moving into aged care unless you sell it or start renting it out.

Are there flexible payment options? Do I have to pay the full costs upfront?

The full cost is not required upfront. Care fees are paid fortnightly in advance. Accommodation costs can be paid on a fortnightly basis or as a lump sum. Any fees or payments can also be deducted from your lump sum payment if you choose.

What if I can't afford it?

The Government will review your financial situation and determine if you will be asked to contribute to the cost of your care. You will never be denied care because you can't afford it. If your circumstances change you can request an updated income and asset assessment be completed.

Can I seek financial advice?

Yes, you can, we recommend it. Some payment methods may affect your pension and aged care fees. It's beneficial to seek independent financial advice before deciding how to pay for your aged care.

Services Australia's Financial Information Service (FIS) is a free service available to everyone. FIS officers can show you how to make informed financial decisions. They can also help you to understand the financial implications of your aged care costs.

To find out more about FIS, or to make an appointment, call the Centrelink Older Australians line on 132 300.