

Part A – Post 1 July 2014 rules

Fees and charges for residents that first enter a residential aged care facility on or after 1 July 2014 or who first entered residential aged care before 1 July 2014 and subsequently cease to be provided with care for more than 28 days or who move to a new residential aged care facility and make a written choice to be covered by the post 1 July 2014 rules.

Part B – Pre 1 July 2014 rules

Fees and charges for residents that first entered a residential aged care facility before 1 July 2014 and have not had a break in care for more than 28 days or who have moved to a new residential aged care facility and have not made a written choice to be covered by the post 1 July 2014 rules.

Part A – Post 1 July 2014 rules

RESIDENTIAL AGED CARE – DAILY CARE FEES

Basic daily care fee	Paid by all residential aged care residents	\$46.50 per day
Means tested care fee	<p>Means tested care fee is the lesser of:</p> <ul style="list-style-type: none"> • Means tested amount – Maximum accommodation supplement \$52.49 per day • Annual cap • Lifetime cap <p>Means tested amount = Income test contribution + Asset test contribution</p> <p><i>Income test contribution</i> = [(Total assessable income – income free area) × 50%] ÷ 14</p> <p><i>Total assessable income:</i></p> <ul style="list-style-type: none"> • Income assessable for Centrelink/DVA purposes • Centrelink/DVA income support payments less minimum pension supplement of \$33.70 pf each and clean energy supplement of \$13.90 pf each • DVA war widows pension • DVA disability pension <p><i>Income free area:</i></p> <ul style="list-style-type: none"> • Single • Couple, illness separated <p><i>Asset test contribution</i> (17.5% of assessable assets between \$45,000 and \$154,179.20, plus 1% of assessable assets between \$154,179.20 and \$372,537.60, plus 2% of assessable assets above \$372,537.60) ÷ 14</p> <p><i>Total assessable assets:</i></p> <ul style="list-style-type: none"> • Assets assessable for Centrelink/DVA purposes • Refundable accommodation deposit/contribution • Capped value of former home 	<p>\$25,000</p> <p>\$60,000</p> <p>\$24,835.20</p> <p>\$24,367.20</p> <p>\$154,179.20</p>

RESIDENTIAL AGED CARE – ACCOMMODATION PAYMENTS/CONTRIBUTIONS

This means tested amount at the time of entry is used to determine whether a resident pays an accommodation payment or receives Government assistance and pays an accommodation contribution. Residents with a means tested amount above the maximum accommodation supplement will pay an accommodation payment.	
Centrelink/DVA assessment	Refundable Accommodation Deposit (RAD) or Refundable Accommodation Contribution (RAC) are exempt from income and assets test
Minimum permissible asset level (Minimum amount of assets a resident must be left with if they pay at least part of their accommodation costs as a refundable deposit)	\$45,000
Maximum permissible interest rate	6.69%
Maximum Refundable Accommodation Deposit (Amount that can be charged without prior approval from the Aged Care Pricing Commissioner)	\$550,000
Maximum accommodation supplement (significantly refurbished)	\$52.49
Maximum accommodation supplement (not significantly refurbished)	\$34.20

HOME CARE – DAILY CARE FEES

Basic daily care fee	Paid by all people who start receiving a Home Care Package from 1 July 2014	\$9.57 per day
Income tested care fee	<p>Income tested care fee is the lesser of:</p> <ul style="list-style-type: none"> • $[(\text{Total assessable income} - \text{income free area}) \times 50\%] \div 14$ • Annual cap • Lifetime cap <p>Total assessable income:</p> <ul style="list-style-type: none"> • Income assessable for Centrelink/DVA purposes • Centrelink/DVA income support payments less minimum pension supplement of \$33.70 pf each and clean energy supplement of \$13.90 pf each • DVA war widows pension • DVA disability pension <p>Income thresholds:</p> <ul style="list-style-type: none"> • Single • Couple, illness separated • Couple, living together, single rate <p>Annual caps:</p> <ul style="list-style-type: none"> • Cap where income does not exceed the income threshold (part pensioners and equivalent) • Cap where income exceeds income threshold (self funded retirees and equivalent) 	<p>\$47,985.50</p> <p>\$47,517.60</p> <p>\$36,727.60</p> <p>\$5,000</p> <p>\$10,000</p>

Part B – Pre 1 July 2014 rules

DAILY CARE FEES

Basic daily care fee *	Standard and Phased resident <ul style="list-style-type: none"> • Paid by all aged care residents except those classified as protected or non-standard. 	\$46.50 per day															
	Protected resident <ul style="list-style-type: none"> • is a pre-2009 resident; and not a non-standard resident; and • on 19 September 2009, was either <ul style="list-style-type: none"> • not receiving an income support payment; or • receiving an income support payment where sum of the total ordinary income (excluding pension payment) is more than \$360.00 pf (single)/\$324.00 pf (each member of a couple). 	\$42.40 per day															
	Non-standard resident <ul style="list-style-type: none"> • is a pre-2008 reform resident; and • not receiving an income support payment; and • or have a dependent child; and • paid an accommodation bond in excess of \$179,000 (for entry after 20 September 2009) or 10 times basic age pension (for entry prior to 20 September 2009) the basic age pension amount at the time of entry. 	\$52.79 per day															
Daily income tested fee (Post 19 March 2008 residents)	$\frac{[(\text{Total assessable income} - \text{total assessable income free area}) \times 5 \div 12] \div 14}{}$ <p>Total assessable income</p> <ul style="list-style-type: none"> • Centrelink/DVA income support payments and income support supplement (less minimum pension supplement of \$33.70 pf each and clean energy supplement of \$13.90 pf each) • DVA war widows pension • DVA disability pension <p>Total assessable income free area – per person</p> <table border="1"> <thead> <tr> <th></th> <th>Single (pf)</th> <th>Each member of a couple (pf)</th> </tr> </thead> <tbody> <tr> <td>Standard resident</td> <td>\$955.20</td> <td>\$937.20</td> </tr> <tr> <td>Phased</td> <td>\$955.20</td> <td>\$937.20</td> </tr> <tr> <td>Protected</td> <td>\$810.90</td> <td>\$792.90</td> </tr> <tr> <td>Non-standard</td> <td>\$955.20</td> <td>\$937.20</td> </tr> </tbody> </table>		Single (pf)	Each member of a couple (pf)	Standard resident	\$955.20	\$937.20	Phased	\$955.20	\$937.20	Protected	\$810.90	\$792.90	Non-standard	\$955.20	\$937.20	Maximum of \$73.86 per day
	Single (pf)	Each member of a couple (pf)															
Standard resident	\$955.20	\$937.20															
Phased	\$955.20	\$937.20															
Protected	\$810.90	\$792.90															
Non-standard	\$955.20	\$937.20															

ACCOMMODATION BOND (HOSTELS AND EXTRA SERVICE FACILITIES)

On entering a hostel, an individual may be asked to pay an accommodation bond. There is no specific amount, however, the resident must be left with at least \$45,000 (per resident) in assets after paying the bond. The size of the bond will depend on the location of the hostel and standard of accommodation. The bond, less the retention amount must be refunded to the resident upon their departure.	
Centrelink assessment	Lump sum accommodation bonds are exempt from the pension assets and income test.
Amount of an accommodation bond	The LESSER of: a) The amount specified in the accommodation bond agreement OR b) An amount that leaves the resident with at least \$45,000 in assets
Maximum permissible interest rate a hostel can charge for periodical payments on accommodation bonds	6.69% pa (for all new residents from 1 July 2014 – 30 September 2014)
Maximum retention amount (Residents entering care between 1 July 2014 to 30 June 2015)	Where the accommodation bond is greater than \$40,860 \$340.50 per month OR 10% of the accommodation bond ÷ 12 Where the accommodation bond is less than \$40,860 but more than \$21,120

ACCOMMODATION CHARGE (NURSING HOMES)

Nursing home residents are liable to pay a daily accommodation charge that is based on their assets on entering the nursing home. The accommodation charge is fixed at the date of entry and is not affected by any subsequent indexation of the maximum daily accommodation charge. For person's entering a nursing home on or after 1 July 2004, the rate applicable applies during the entire period of residence.	
Maximum accommodation charge for new entrants (1 July 2014 – 19 September 2014)	<p>Fully supported resident (assets less than \$45,000) Nil</p> <p>Supported residents (Assets greater than \$45,000 but less than \$116,136)</p> <p>The LESSER of:</p> <p>a) (Assets – \$45,000) ÷ 2,080</p> <p>OR</p> <p>b) The daily accommodation charge specified in the accommodation charge agreement</p> <p>OR</p> <p>c) Non-supported resident \$34.20 (per day) (assets greater than \$116,136)</p>
Maximum permissible interest rate (for all new residents from 1 July 2014 – 19 September 2014)	4% (charged if the accommodation charge is deferred) – Charged at a maximum of no more than double the lowest deeming rate of interest

Note: The information contained in this guide only applies to residents who have entered into aged care after 20 March 2009. For existing residents who entered prior to 20 March 2009 other rates may apply.

Disclaimer and Warning

The information above is of a general nature only. It should not be used as a source to make financial decisions. It's also important to note that the legislation and figures related to this topic tend to change regularly and therefore the information above may not reflect the current status.

We recommend that if you are looking for advice on this matter, you should contact us on 02 9369 2443 or info@formanfinancialservices.com.au