



Residential Care. Accommodation payments in aged care facilities

From 20 September 2017

What is an accommodation payment?

It is a contribution to the cost of accommodation and is used to maintain and upgrade the aged care facility.

Only facilities that have received Certification can charge an accommodation payment. Certification means that the facility has met Australian Government standards for the quality of the accommodation. This certificate must be produced by a facility upon request.

Will I have to pay an accommodation payment?

This depends upon an assessment of your income and assets. You will then be advised if you will be asked to pay towards your accommodation costs.

Single people whose income is below **\$26,327.60** single, or **\$25,859.60** if member of a couple) and assets below **\$47,500** will not pay an accommodation payment (see diagram overleaf).

How will my income and assets be assessed?

From the 1st July 2014 **everyone** entering an aged care facility needs to fill in and lodge a combined income and assets assessment form. This applies even if you are currently receiving an income support payment from Centrelink or the Department of Veteran's Affairs.

Income – For the purposes of calculation all income received by a couple is considered to be shared equally between each partner.

Assets – For the purposes of calculation all assets owned by a couple are considered to be shared equally between each partner.

The home is excluded as an asset if your spouse/partner or dependent child is still living there. It is also excluded if:

- your carer has been living there for at least two years or a close relative has been living there for five years and
- either were receiving or were eligible for an income support payment at the time of the income and assets assessment or on the day you enter care (whichever is

earlier). Note that the Carer Allowance is not an income support payment.

The result of this combined income and assets assessment will determine your costs in aged care.

The Australian Government notifies residents and/or their representatives and the aged care facility if you can be asked to pay towards your accommodation costs.

You may be asked to pay

1. all of your accommodation costs – an accommodation payment (see diagram overleaf)
2. some of your accommodation costs – an accommodation contribution (see diagram overleaf)

Residents *do not* have to supply income and asset information. However, if the income and asset information is not provided the aged care facility can charge the maximum accommodation payment.

What are my payment options?

You can choose to pay your accommodation costs by:

1. a refundable lump sum
2. a daily, rental-type payment
3. or a combination of both

You will have 28 days once you enter care to choose by which method you will pay the accommodation costs. Until you have decided on the method of payment you will be asked to pay accommodation costs by the daily rental-type payment.

Publication of accommodation payments by aged care facilities

Aged care facilities are required to publish information about accommodation prices and key features of the accommodation on the **My Aged Care** website www.myagedcare.gov.au. If an aged care facility has their own website they are also required to publish the information on it.

The maximum accommodation payment is advertised as the maximum refundable deposit or the maximum daily

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payment or a combination of both. There may be the option to negotiate a lower price with the aged care facility.

The combination payment example has been set at 50% refundable deposit and 50% daily payments on the My Aged Care website www.myagedcare.gov.au. Aged care providers can set their own combination payment examples elsewhere.

Do I get the refundable accommodation payment back when I leave?

When you leave an aged care facility the refundable accommodation deposit must be refunded within 14 days. In the case of the death of the resident, the refundable accommodation deposit must be refunded within 14 days from the day on which the facility is shown probate of the will of the resident or letters of administration of the resident's estate.

The facility retains any interest earned on the bond money. The facility uses the interest earned on the bond to maintain and upgrade the facility.

What if I rent my home?

If you pay the daily accommodation payment you may choose to rent your former home to make the payments.

From 1 January 2016, all new residential care recipients have rental income from their former principal home included in their aged care means test.

Hardship provisions

If payment of an accommodation payment will cause undue financial hardship, you may apply for assistance. Contact My Aged Care, tel. 1800 200 422 and request the form *Aged Care Application for Financial Assistance*.

Assistance with financial information

For basic information about managing your finances and help with understanding aged care costs contact Centrelink's Financial Information Service (FIS), tel. 132 300 (local call cost).

For help to estimate the costs you may have to pay towards your residential aged care call My Aged Care tel. 1800 200 422. Before you call you should have your financial information ready, especially details of your various forms of income and assets.

People currently in care

For people already in an aged care home before 1st July 2014, these changes will not apply.

If a decision is made to transfer to a new aged care home on or after 1 July 2014, there will be the option of being assessed under the new arrangements or staying with the current arrangement. The new financial arrangements will apply if a care recipient leaves an aged care facility for more than 28 days and then re-enters an aged care facility.

