

Residential Care

Care fees and accommodation payments



Effective 20th September 2024

Daily Fees

There are two main daily fees you may be required to pay if you move into an aged care home. These fees are a contribution to daily living costs, for example, personal care, meals, power, laundry and cleaning.

Basic daily fee

This fee is calculated on 85% of the basic rate of the single Age Pension. It is currently \$63.57. Single people whose income is below \$33,735.00 (or \$33,059.00 for each member of a couple) and whose assets are below \$61,500 may only pay the basic daily fee (see diagram provided).

Means-tested fee

The amount you may be asked to pay depends on your level of assets and income.

Means-tested fees have annual and lifetime caps:

Annual Cap - The maximum annual means-tested fee you can be asked to pay is \$34,174.16. The year is calculated from the date of entry into residential aged care. Once this cap is reached, you will not pay the means-tested fee until the anniversary of the date of your first entry into aged care.

Lifetime Cap - The maximum lifetime means-tested fee you can be asked to pay is \$82,018.15.

Both the annual and lifetime caps are indexed.

Other daily fees

In addition some facilities charge a set extra services fee or an additional services fee. These fees refer to services and amenities not prescribed by the Australian Government as required to be provided by the aged care homes to all residents.

In some aged care homes these additional services may be provided in an option-in / opt-out basis.

Some homes may consider the residents circumstances when setting the additional services fee.

Accommodation costs

Accommodation costs refer to a resident's contribution to the cost of accommodation and are used to maintain and upgrade the aged care facility. Aged care homes set the 'price' of their rooms, which may vary with size, having a shared or own bathroom, etc. A percentage of the rooms in each facility is allocated to residents categorised by Services Australia as low means (concession) and who cannot afford the accommodation costs.

Will I have to pay accommodation costs?

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

You may be asked to pay either

1. all of your accommodation costs – an accommodation payment
2. or some of your accommodation costs – an accommodation contribution

See diagram attached to this fact sheet.

What are my payment options?

You can choose to pay for your accommodation by:

1. *Refundable Accommodation Deposit - RAD* (the aged care home retains any interest earned on this lump sum amount) OR
2. *Daily Accommodation Payment – DAP* (a non-refundable, rental-type payment) OR
3. A combination of both

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You will have 28 days once you enter care to choose which method you will use to 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.

If you choose to pay your full accommodation costs as a RAD, you will have 6 months from the date you entered the aged care home to pay her agreed room price.

Refund of lump sums

When you leave an aged care home any lump sum must be refunded within 14 days. In the case of the death of the resident, the lump sum 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.

How much will I pay towards my aged care costs?

The basic fee is paid in full by all residents (except if hardship provisions apply).

Services Australia (Centrelink) will calculate if and how much you will need to pay in terms of means-tested fee and accommodation contribution.

If you are currently receiving a means-tested income support payment from Centrelink or the Department of Veterans' Affairs *and* you own or part-own your home (including a licence to occupy in a retirement village), complete the 'Residential Aged Care Property details for Centrelink and DVA customers form' (SA485). If you do not own or part-own your home, Centrelink can automatically complete an assessment for you when you enter residential aged care.

If you do not receive a means-tested payment from Centrelink or the Department of Veterans' Affairs you do not have to supply income and asset information by completing the form SA457. However, if the income and asset information is not provided the aged care home

can charge the maximum means-tested fee and/or an accommodation payment.

To learn more and to access the relevant form for each situation go to

www.servicesaustralia.gov.au/aged-care-calculation-your-cost-care.

Questions asked in the forms will determine if the value of your home will be excluded in the assets assessment.

The value of the home will be excluded if:

- your spouse/partner or dependent child is still living there.
- your carer has been living there for at least two years or a close relative has been living there for five years; and either was receiving or was eligible for an income support payment at the time of the income and assets assessment or on the day you entered care (whichever is earlier). Note that Carer Allowance is not an income support payment.

Income and assets - For the purposes of calculating aged care costs, all income and all assets received by a couple are considered to be shared equally between the couple.

In the aged care means assessment, the assessable value of the home is capped at \$206,039,20, the home exemption cap.

What do I pay in respite care?

You will only pay the basic daily fee standard rate of \$63.57 and, if applicable, an extra or additional service fee. No means-tested fee can be charged for respite care (short-term stay).

Further information and hardship assistance

For general information on aged care services funded by the Australian Government call **My Aged Care** on **1800 200 422** or go to <http://www.myagedcare.gov.au>

For more in-depth information talk with an [Aged Care Specialist Officer](#) if one is available in your area. These officers are based at Services

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Australia offices. To book an appointment call **1800 227 475**.

If payment of the aged care costs will cause undue hardship you can request the *Aged Care Claim for financial hardship assistance form* (SA462) or access the form online at www.servicessaustralia.gov.au/sa462.

Fee Estimator

The My Aged Care website features a simple calculator. The figures it provides are an estimate. The exact amount you pay will depend on your financial situation when you enter care.

<https://www.myagedcare.gov.au/how-much-will-i-pay>

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Residential care income and assets threshold

