

Aged Care - Basic Daily Care Fees

All residents in aged care, including respite residents, can be asked to pay a basic daily fee as a contribution towards accommodation costs and living expenses, like meals and refreshments, cleaning, laundry, heating and cooling, as well as social activities. In addition, the daily fee contributes to the costs for personal care, including assistance with daily living like bathing, dressing and toileting, assistance with mobility aids, therapy and certain medical and pharmaceutical.

The maximum basic daily fee for all permanent residents who enter an aged care home on or after 20 September 2009 is 84% of the annual single basic age pension. This amount is indexed on 20 March and 20 September each year in line with the indexation increases to the age pension.

Basic Daily Fee Categories

Aged care residents will have their rate of daily fees set according to four categories. These are:

Standard Rate - this applies to most aged care residents including full pensioners and some part pensioners with lower amounts of private income.

Phased Rate - this applies to people who enter care after 20 September 2009 who did not get the benefit of a pension increase, including part pensioners with private income amounts above the income threshold and self-funded retirees who enter care on or after 20 September 2009.

Protected Rate - this applies to people in care on 19 September 2009 who did not get the benefit of a pension increase, including part pensioners with private income amounts above the income threshold and self-funded retirees who were in permanent care on 19 September 2009.

Non-Standard Rate - this applies to certain people who entered care prior to 20 March 2008, including self-funded retirees who entered care before 20 March 2008, pensioners who have agreed to pay a big bond, or residents who have chosen not to disclose their financial information to Centrelink.

How is income assessed?

A person's income is usually assessed by Centrelink. If a resident is receiving a service pension or an income support supplement from the Department of Veterans' Affairs (DVA), that agency will assess their income.

The income test uses the same rules as for means tested pensions. People who receive a means tested pension, such as an age pension or service pension, do not have to provide income information because Centrelink or DVA already have this information.

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