

# Aged Care - Summary of Fees and Charges

Residents in Australian Government subsidised residential aged care can be asked to pay fees as a contribution towards accommodation costs, living expenses and the cost of their care.



Aged care homes charge a range of fees to cover care, accommodation costs and living expenses, and these can vary enormously between facilities and from resident to resident.

A resident may be charged for the care and services provided as follows:

- **Basic Daily Fee** – as a contribution toward accommodation and costs of daily living.
- **Income Tested Fee** – as a contribution towards the cost of care.
- **Accommodation Payment** – as a contribution towards capital accommodation costs.
- **Extra Services Charge** – where extra service applies to residents occupying Extra Service Places (both permanent and respite) for the provisions of a significantly higher standard of accommodation services and food.
- **Additional Service Fee** – where the resident requests or agrees to additional services, such as newspapers and hairdressing.

The level of the residents daily fees and accommodation payments can be negotiated between the residents and/or their representatives, and the aged care providers.

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## Basic Daily 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 etc.

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. This is also the maximum fee for all respite residents, excluding those receiving respite care on an extra service basis.

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### **Income Tested Fee**

Residents (other than respite residents) in permanent aged care may be asked to pay an income tested fee in addition to the basic daily fee. The amount they pay depends on their income and the level of care they need. This fee is paid directly to the aged care provider as part of their overall fees. No resident will pay more than they can afford and no resident will pay more than the cost of their care.

### **Accommodation Payment**

The two types of accommodation payment are accommodation bonds and accommodation charges.

#### **Accommodation Bond**

Residents with sufficient assets who require a low level of care or who enter an extra service place may be asked to pay a bond.

The Australian Government sets the minimum assets a person must retain when establishing the bond amount. A person cannot be charged a bond amount that would leave them with less than the minimum asset amount. Where bonds are payable, the amounts and payment methods can vary – they should be negotiated with the aged care provider.

The aged care provider is able to retain a monthly amount from the bond for the first 5 years, and the balance of the bond is repaid to the resident or their estate when they leave the aged care facility.

#### **Accommodation Charge**

Residents who have sufficient assets and require high level care (i.e. nursing home) but not on an extra service basis may be asked to pay an accommodation charge.

If a person chooses not to have an assets assessment, or has assets above the threshold, the amount of the accommodation charge they may be asked to pay will be the maximum applicable rate.

*Seek professional financial advice to help you take the worry out of this important financial decision and lifestyle change.*



## Schedule of Resident Fees and Charges

The tables below show a schedule of resident fees and charges as from 20 March 2011.

Fee/Charge/Thresholds	Residents who entered care from 20 March 2011
<b>Maximum Basic Daily Fee<sup>1</sup></b>	
Standard Resident Contribution	up to \$40.25
Protected Resident Contribution <sup>2</sup>	up to \$36.74
Phased Resident Contribution	up to \$38.33
Non-Standard Resident Contribution <sup>3</sup>	up to \$45.76
<i>Residents who were in a hostel on 30 September 1997 and who are NOT currently at a home that was a nursing home before 1 October 1997 will receive a reduction of 80 cents per day to their basic daily fee.</i>	
Residents who are currently receiving care in the same hostel where they were living on 30 September 1997 and who are paying "grandparented" variable fees	Agreed amount of fees, less any allowance for rent assistance (until the prescribed basic daily fee is greater than the agreed amount)
<b>Maximum Daily Income Tested Fee</b>	
Income tested fees are calculated as 5/12th of total assessable income over the income thresholds per fortnight for a single person or each member of a couple.  For residents with private income (non-pension income) over a threshold of \$146.00 per fortnight for a single person, \$128.00 for each member of a couple.	<b>Pensioner Thresholds</b>  The threshold for all new residents as of 20 March 2011 will be \$843.90 per fortnight for a single person or \$825.90 per fortnight for a member of a couple.  The thresholds for Protected residents as of 20 March 2011 will be \$750.30 per fortnight for a single person or \$732.80 per fortnight for a member of a couple.
<b>Pensioner allowable limit for Accommodation Bonds</b>  If a resident first entered care prior to 20 March 2008 and agreed to pay a bond of more than 9 times the annual single age pension.	\$157,000

<sup>1</sup> Residents in designated remote areas may be asked to pay an additional \$1.06 per day.

<sup>2</sup> Protected rate includes blind pensioner and non-pensioner residents who have a dependant child.

<sup>3</sup> Rate applies to pre 20 March 2008 SFRs and MNDs and pre 20 March 2008 big pond payers.

*We can help you simplify the process and ensure you get the care you want and need.*

<b>Minimum Assets Amount</b> A resident must be left with this amount when calculating the maximum accommodation bond.	\$39,000
<b>Asset Cut-off Level</b>	
for fully supported <sup>4</sup> resident status	\$39,000
for partially supported <sup>5</sup> resident status	\$102,544
for concessional resident status	N/A
for assisted resident status	N/A

<b>Maximum Permissible Interest Rate</b>	
for accommodation bond agreements (for all new residents from 1 April 2011)	8.92%
for accommodation charge agreements (for all new residents from 20 March 2011)	6%

<b>Maximum Accommodation Charge for new entrants to your home 20 March 2011 – 30 June 2011<sup>6</sup></b>	
for concessional residents and charge exempt residents	N/A
<b>Residents who first entered residential aged care from 20 March 2011<sup>7</sup></b>	
<ul style="list-style-type: none"> <li>• <b>non-supported residents</b>, if their assets at entry are at least \$102,544.00 <ul style="list-style-type: none"> <li>- who are not in receipt of a means-tested Australian pension</li> <li>- who are in receipt of a means-tested Australian pension</li> </ul> </li> <li>• <b>supported residents</b>, if their assets at entry are equal to or less than \$102,544.00</li> </ul>	<p>\$30.55</p> <p>calculated amount<sup>8</sup></p>

<sup>4</sup> Contact the Department of Health and Ageing

<sup>5</sup> Contact the Department of Health and Ageing

<sup>6</sup> Rate remains unchanged for resident's stay in the one home, regardless of annual indexation of the maximum rate for new entrants.

<sup>7</sup> From 20 March 2008, accommodation charges are capped, even if a resident moves from one home to another, provided that there is not a break in care of more than 28 days (excluding leave).

<sup>8</sup> As advised by the Department of Health and Ageing



**Maximum Accommodation Charge for pre 20 March 2008 residents who enter your home during the period 20 March 2011 – 30 June 2011<sup>9</sup>**

for concessional residents and charge exempt residents	N/A
<b>Residents who first entered residential aged care from 1/7/2004</b>	
assisted residents, if their assets at entry are at least \$58,050	\$11.56
assisted residents, if their assets at entry are less than \$58,050	calculated amount <sup>10</sup>
other residents, if their assets at entry are at least \$73,398	\$20.19
other residents, if their assets at entry are less than \$73,398	calculated amount <sup>11</sup>
<b>Residents who first entered residential aged care before 1/7/2004<sup>12</sup></b>	
assisted residents, if their assets at entry are at least \$53,177	\$8.82
assisted residents, if their assets at entry are less than \$53,177	calculated amount <sup>13</sup>
other residents, if assets at entry are at least \$68,033	\$17.18
other residents, if assets at entry are less than \$68,033	calculated amount <sup>14</sup>

<b>Pensioner Supplement</b>	\$7.24
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<b>Deeming Thresholds and rates from 20 March 2011</b>	
Threshold (single)	\$43,200
Threshold (couple – combined)	\$72,000
Lower rate	3.0%
Higher rate	4.5%

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<sup>9</sup> And who haven't left permanent residential aged care for more than 28 days before entering care after 20 March 2008.

<sup>10</sup> Contact the Department of Health and Ageing.

<sup>11</sup> Contact the Department of Health and Ageing.

<sup>12</sup> Accommodation charge limited to a maximum period of 5 years and is fixed at date of entry.

<sup>13</sup> Contact the Department of Health and Ageing.

<sup>14</sup> Contact the Department of Health and Ageing.

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