



Basic Daily Fees for Residential Aged Care

All residents of Australian Government subsidised aged care can be asked to pay a basic daily fee as a contribution towards accommodation costs and living expenses, such as meals, cleaning, laundry, heating and cooling.

The rates of basic daily fee are set using a percentage of the single age pension. Most residents will pay the standard rate of basic daily fee, which is 84% of the single rate of the basic age pension. However, each resident's rate is determined according to their circumstances at the time they entered permanent residential aged care.

The basic daily fee is indexed on 20 March and 20 September each year in line with the indexation increases to the age pension.

This fee forms part of the overall fees a resident can be asked to pay. The Government recognises that not all residents can pay for the cost of the care they receive, and so provides substantial subsidies to assist with these costs.

Centrelink or the Department of Veterans' Affairs will assess a resident's income and assets so that the Department of Health and Ageing can establish the particular amounts and the fees that will apply.

Rates of basic daily fee

The four rates of basic daily fee are:

Standard rate

Applies to most aged care residents, including full pensioners and some part pensioners with lower amounts of private income.

Phased rate

Applies to residents who enter permanent care from 20 September 2009, including part pensioners with private income amounts above the income threshold for phased residents and self-funded retirees.

Protected rate

Applies to residents who were in permanent care on 19 September 2009, including part pensioners with private income amounts above the income threshold for protected residents and self-funded retirees.

Non-standard rate

Applies to certain residents who entered care prior to 20 March 2008, including: self-funded retirees, pensioners who agreed to pay a big bond, or residents who chose not to disclose their financial information to Centrelink.

The Department of Health and Ageing will advise each resident which rate is applicable to them.

Note:

The Department of Veterans' Affairs pay the basic daily fee for Australian ex-prisoners of war in Australian Government subsidised residential aged care.

Current rates of aged care fees, charges and thresholds are listed on the Schedule of Residential Fees and Charges which is available on the Department of Health and Ageing website: www.health.gov.au.

How is income assessed?

A resident's income is usually assessed by Centrelink. However, 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. Resident's 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.



Resident's who do not receive an income support payment will need to provide information about their income when they enter care by filling out a Centrelink form, *Residential aged care fee income assessment (SA316)*. Centrelink sends this form to all non-pensioners after they have entered care.

Financial Hardship Assistance

Financial hardship provisions are there for residents who would face genuine financial hardship if they were required to pay the basic daily fee. To receive an application for financial hardship assistance call the Aged Care Information Line on **1800 500 853***.

Note:

Eligibility for some pensions, such as a blind pension, a war widow/widower pension or a veteran's disability pension or allowance, does not depend on a person's income. If this is the only pension a person receives they may have to fill out the Centrelink SA316 form, because Centrelink or the Department of Veterans' Affairs may not have the necessary income information.

Once the SA316 form is completed, it should be returned to Centrelink in the enclosed self addressed envelope. The sooner this information is provided, the sooner the Department of Health and Ageing can inform the resident about their fees.

Centrelink can be contacted on 1800 227 475* regarding the SA316 form.

*Cost of phone calls

Calls to 1800 numbers are generally free to the caller when made from a land line.

Calls to 13 or 1300 numbers are charged at a low fixed amount to the caller when made from a land line.

All calls made from mobile phones are charged at the rates applicable to each phone provider.

All calls made from public phones are charged at the rates applicable to each phone provider.

All information in this publication is correct as of March 2011

Disclaimer: This document is only a guide to the Government's law and policies, and cannot take account of individual circumstances. The Australian Government Department of Health and Ageing recommends that you seek appropriate professional advice relevant to your particular situation.

Aged Care Information Line 1800 500 853* – www.agedcareaustralia.gov.au