

AGED CARE MADE EASY

What is it and how can it help me?

The aged care system offers a continuum of care to those who can no longer live at home and need ongoing help with everyday tasks or healthcare.

While moving into aged care can be an emotional and uncertain time, this guide explains some of the key residential care fees. If you are looking for aged care, or for assistance to fund these costs, we recommend you speak to a financial adviser or mortgage broker with expertise in this area.

If you would like more general information, please do not hesitate to call on 1300 889 338 or email us at enquiries@seniorsfinance.com.au, and we can either assist or introduce you to an expert in your local area.

Steps when considering residential aged care

Step 1 – Assessment

Before moving into a residential aged care facility, an individual's health and lifestyle needs are assessed by an Aged Care Assessment Team (ACAT) member – usually one or a combination of doctors, nurses and social workers who specialise in aged care. To find the nearest ACAT, or to search for a care facility in your local area, visit the Government's My Aged Care website at myagedcare.gov.au.

Step 2 – Selection

ACAT can provide a list of aged care homes in your area. Local Government Departments or third-party placement companies may also be able to assist in locating an appropriate facility that best suits your needs.

All facilities are different – we recommend visiting a few to determine which are most appropriate for your personal and lifestyle needs.

Step 3 – Cost

While some aged care costs are subsidised by the Government, there are still a number of fees that are payable for residential aged care. Some of which are determined by your income and assets.

Fee	What this fee covers	How it works
Refundable Accommodation Deposit (RAD)	This is the cost of a room or an accommodation fee in a lump sum. It does not cover your care costs.	The RAD is paid as a lump sum and is refunded to you or your estate 14 days after you leave care. In metropolitan areas, this could typically be in excess of \$400,000. Only the lump sum amount is refunded, and it does not accumulate interest.
Daily Accommodation Payment (DAP)	This is the cost of a room or an accommodation fee, paid as a daily amount rather than the RAD lump sum. The RAD is converted to a DAP using a prescribed formula, $RAD \times MPIR / 365 = DAP$. It does not cover your care costs.	The DAP is paid daily, and would approximately cost \$65 per day (based on an average RAD fee of \$400,000)*. This fee can be paid up to a month in advance, similar to rent. This fee is not refundable. You may also pay via a partial RAD and partial DAP, in various combinations.
Basic Daily Fee (BDF)	Covers daily living costs such as meals, power, and laundry.	The Basic Daily Fee is set at 85% of the single person rate of the basic age pension and is payable by all residents.
Means Tested Care Fee (MTCF)	This is an extra contribution towards your care costs, – based on a means assessment.	The amount you are required to pay is based on your income and assets, with an annual cap of \$28,087.41 and lifetime cap of \$67,409.85. These amounts are indexed on 20 March and 20 September every year.*
Additional Services Fee	These pay for any extras required, such as Foxtel or a glass of wine with dinner or hairdressing.	

Note: Private facilities operate outside of the Government legislated fee system and rules outlined in this information sheet. For more specific details on fees payable in a private facility, we recommend you consult each individual facility directly and review each facility's accommodation agreement.

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