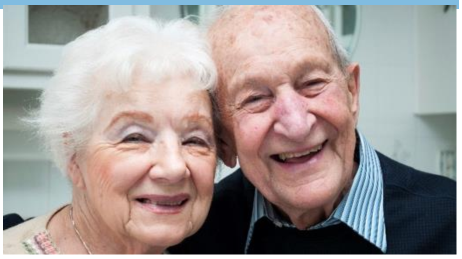
Residential Aged Care Means Testing

Aged Care Gurus

FACTSHEET



For people who enter residential aged care after 1 July 2014 a means tested amount is used to determine how much they can pay for accommodation and care.

The formula for calculating the Means Tested Amount is:

INCOME		ASSETS		
50c per dollar of income above $27,464p.a. (single) or $26,943p.a. (couple)	+	**17.5%** of assets between $49,500 – $169,079 **1%** of assets between $169,079 – $408,237 **2%** of assets over $408,274	÷	364

Assets below $49,500 and Income below $27,464p.a. (single) or $26,943p.a. (couple) = $0 Accommodation Contribution and $0 Means Tested Care Fee.

Where the calculated amount is less than $57.49p.d. the person qualifies as a Low Means Resident, the Government will pay the difference between the resident's contribution up to $57.49 as a supplement to the facility.

Refer to our Low Means Residents Factsheet.

Where the calculated amount is more than $57.49p.d the person will need to pay the market price for their accommodation and the amount above $57.49.d is their maximum Means Tested Care Fee.

The Means Tested Care Fee is capped at the cost of care (daily) and there is an annual limit of $27,755 and a lifetime limit of $66,610.

What are Income and Assets?

Assets and Income for the Means Tested Amount are assessed by Centrelink or DVA.

Income is calculated as per the pension income test deemed income on financial assets. Taxable income on trusts, investment properties and holiday homes, the amount above the deductible for long term income streams etc. Special rules apply to the assessment of rent from the former home for residents who entered care prior to 1 January 2016.

Assets include assets as per the asset test for the pension plus any amount paid to the aged care facility as a RAD plus Up to $169,079 of the former home if it is retained. When dealing with a couple (including same-sex couples) half of the total assets and income will be considered to belong to each irrespective of legal ownership.

Exemption of the former home

The former home is an exempt asset if:

- A partner or a dependent child lives there
- A carer who is eligible to receive Income Support Payment has been living there for at least 2 years
- A close relative who is eligible to receive Income Support Payment has been living there for at least 5 years.

Tip: It is not compulsory to have an assets and income assessment. However, if a person does not apply for an assessment they will not be eligible to be a Low Means Resident. The aged care facility can require the person to pay the market price accommodation payment and a means tested care fee equal to their cost of care, the annual and lifetime limits still apply.

Refer to our Means Not Disclosed Factsheet.