

# Aged care

## What you need to know

Whether considering options for yourself or deciding how best to help someone close to you, aged care is a complex area and requires careful thought. The uncertainty surrounding where to move, how much it will cost and where the money will come from can be overwhelming and stressful.

This guide provides the basics. You will understand the steps you need to take, where to find answers and how your financial adviser can help you make an informed decision.



There are typically three steps you need to take before moving in to an aged care facility.

## STEP 1: Approval

Before entering an aged care facility your health must be assessed to determine your eligibility for care. The assessment can be performed by any doctor, nurse or social worker who is a member of an Aged Care Assessment Team (ACAT).

### ACAT assessment

## STEP 2: Find a home

To make sure you find a home that you are comfortable in and that will suit your needs, you may like to visit a few different places. You can apply to as many homes as you like. The accommodation costs for all aged care facilities are published on the Government's aged care website [myagedcare.gov.au](http://myagedcare.gov.au). This website also provides description of the rooms and services available at the facility.

### Find a home

Consider what is important to you in a home. You may like to visit a few.

## STEP 3: Organise your finances

On entry to a facility, you will be required to pay an accommodation contribution or accommodation payment. Some people will have their accommodation costs met in full or part by the Australian Government, while others will need to pay the accommodation price agreed with the aged care home. The Department of Human Services (DHS) will advise which applies to you based on an assessment of your assets and income.

There will also be a basic daily fee to pay and there may be a means-tested care fee which is determined by your level of income and assets. Some facilities offer you a higher level of service or a higher standard of accommodation or food for an additional daily fee called an extra service fee.

### Accommodation contribution

You may be required to pay part of the cost of your accommodation and the Australian Government will pay the rest.

### Accommodation payment

You pay for the full cost of your accommodation.

### Basic daily fee

### Means-tested care fee

### Extra service fee

Your financial adviser can help with the decisions you need to make and which strategies are best suited to your circumstances. They can also help you keep your plans on track with an annual review, in case your circumstances, or external factors such as legislation, change.

# How your adviser can help

<b>My question is...</b>	<b>What do I need to do?</b>	<b>Your adviser can help.</b>	<b>Who else can help?</b>
What upfront costs will I need to pay?	Understand if there is an accommodation payment payable and determine what assets you can use to meet the cost.	Your adviser can help you determine how to pay for your accommodation. This may involve a lump sum payment, regular instalments or a combination of both.	DHS (Centrelink) assess your income and assets.
How much will I pay for ongoing care?	Determine which ongoing fees apply to you. This could include the basic daily fee, a means-tested care fee and any extra service fee.	There are strategies to minimise the fees you pay. Keeping or selling your home often forms part of the strategy as does how you invest. A poorly executed plan can result in a lower Age Pension and higher fees.	The aged care facility and Centrelink can assist in determining your fees.
Can I keep my home or is it better for me to sell it?	Understand the various options and strategies available to you regarding your primary residence.	Your adviser can help you decide if it is best to keep or sell the family home. If kept, they can determine the best way to structure the accommodation payment to ensure the family home does not affect your Centrelink tests. If sold, they can also help with the best way to invest the proceeds and get the balance right between generating an income, maximising the Age Pension and minimising aged care fees.	Your financial adviser can assist you to understand your options.
How do I maximise my social security benefits?	Determine how the social security Income and Assets tests apply to you.	Your choice of investments may help you to access or retain benefits, including the Commonwealth Seniors Health Card. The decisions you make regarding your home can also significantly impact on your Age Pension.	Centrelink determines your eligibility for Government benefits.
How can I afford to pay for ongoing care?	Determine if your capital can be invested to provide enough cash flow to meet ongoing care costs.	Your financial adviser can assess your investment options and help you maximise your income.	Your financial adviser is best placed to help you understand your options.
Will I have something to leave for my family?	Identify which of your assets can be included in your estate and the best way to do so.	Your financial adviser can help identify what assets can be left to your estate.	Your lawyer can ensure you have a will that reflects your wishes.
How much tax will I need to pay?	Identify what tax offsets are available and which apply to you. You also need to be aware of any issues that may arise if you sell your home or change your investments.	An overall review of your situation will identify the various tax offsets that may be available to you, including the low income, seniors and net medical expense offsets. A tax adviser can also flag issues concerning land tax and capital gains tax that may affect you.	Your tax adviser/ accountant is best placed to advise on your tax position.

To find out more about your aged care options, talk to your financial adviser.

Planner contact details

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