

MOVING INTO AGE CARE

Making the decision to leave your home and move to residential aged care home is a challenging time. Your needs for care and support, the different accommodation options and financial considerations are a lot to think about.

The financial aspects are very important. Many people worry about how they will pay for the care and accommodation and how any change in living arrangements will affect their pensions. Everybody's circumstances are different.

Preparing for these things in advance allows you to explore the opportunities available. You will then be able to make an informed choice that will suit you the best for the future.

For most people their pension will remain unchanged. However, the decisions you make about your former home or other assets may mean your pension may change during the time in aged care. Following are some answers for some general questions you may have:

Finding an Aged Care Home

To be eligible for entry to aged care you will need to be assessed by The Aged Care Assessment Team (ACAT). The ACAT team is made up of doctors, nurses, social workers and other health professionals who can provide a thorough assessment of your care needs and offer advice on suitable and available care options.

The ACAT can give you information about residential aged care and home care services in your area. You are not restricted to applying to one home nor are you restricted to applying for homes only in your area as you may want to be close to a certain family member.

The best way to find an aged care home that suits you is to visit a range of homes. Take a family member or friend with you. Make sure you understand what level of care is available in each home and whether you could stay there if your care needs increased.

When you accept a placement you will be offered a Resident Agreement which is a formal agreement between you and the aged care home. It covers important things like level of care, daily fees, the home's responsibilities to you as a resident and your responsibilities as a resident in the aged care home. You have up to 21 days to sign this Resident Agreement. It is a good idea to use the 21 days and to seek further information or advice from friends, family, Centrelink, a financial adviser or legal practitioner.

If I am a member of a couple, what happens to our pensions?

If you are a member of a couple and one or both of you moves into an aged care home, you will both be considered members of an illness-separated couple. This could mean you could be paid at a higher rate, even if each of you currently receives the maximum partnered rate of pension. (The single rate of pension is higher than the rate of pension paid to a couple).

What happens to my pension if I own my family home?

Your former principal home is generally exempted from the pension assets for up to two years from the time you move into an aged care home. This gives you time to decide what to do with your home.

After two years, your home may be assessed under the assets test and the higher non-home owner assets test limits apply to you. This happens even if you have spent some of the two years away from the aged care home, for example if you moved back to your family home for a short while.

If you sell your home during the two year exemption period the non-home owner assets test limited will apply to you

What happens if someone is still living in the family home?

If the family home is still occupied by your partner, the home is exempt from the pension assets test. If he or she leaves the family home to enter care, the home is exempt for a further two years from the time your partner leaves. If the partner remaining in the family home dies, a two year exemption period for the person in the aged care home age care starts from the partner's date of death.

What if I am paying an accommodation charge for high level care?

If you enter high level (nursing home) care you may need to pay an accommodation charge. This could be for a maximum of five years if you first entered residential aged care before 1 July 2004 or indefinitely if you entered residential care on or after that date.

If you are paying an accommodation charge and are renting out your former home, your former home will not be assessed under the pension asset test nor will the rent you are getting be counted as income for the pension income test or for residential care fees in the home.

What if I am paying an accommodation bond for low level care?

If you move into low level (hostel) care, you may need to pay an accommodation bond. There are a number of ways you can pay your accommodation bond, including lump sum, periodic (fortnightly or monthly) payment or a combination of both. If you rent out your former home and are paying some, or all of your bond by periodic payments, the former home is exempt from the pension assets test for as long as you are liable to pay a periodic payment. Any income you receive from renting out your former home while you are liable to pay the periodic charge will not be counted for the pension income test or for residential care fees in the home.

What would happen to my Rent Assistance?

If you were receiving Rent Assistance before you moved into care, this would stop after you moved into an aged care home. Instead different subsidies would be paid directly to the aged care home by the Department of Health and Ageing. If your partner remained in the rented family home, he or she could still be eligible for Rent Assistance.

Paying for your care and accommodation

Generally there are three types of charges you may pay:

- Accommodation Bond (Low Level) **Or** Accommodation Charge (High Level)
- Residential daily fees – This fee is for your livings costs, eg. Nursing, and personal care, meals, linen and laundry, heating and cooling.
- Income tested fee – The amount of income-tested fee you may be asked to pay depends on the amount of assessed income you have above a certain level. The department of Health and Ageing determines your income-tested fee based on the income and asset information that has been provided to Centrelink of DVA.