



Australian Government
Department of Health and Ageing

Aged Care Income Test – Continuation of 28-day Grace Period

Why is this important?

- The '28 days of grace' allows sufficient time for an income assessment for a new resident to be finalised by Centrelink or the Department of Veterans' Affairs (for veterans). The assessment determines whether a resident can be asked to pay an income-tested fee, and if so, the appropriate amount for the fee.
- The Government will continue to pay the daily residential care subsidy for new residents for the first 28 days until their income assessment is finalised. This ensures residents will not be charged inappropriately and simplifies administrative arrangements for providers who collect fees.

Who will benefit?

- Around 48,500 new aged care residents each year and their aged care providers will benefit from this initiative.

What funding is the Government committing to the initiative?

- The Government will maintain funding of \$23.8 million over four years to continue this initiative.

What have we done in the past?

- This measure was first introduced on 1 March 1998 to allow new residents in aged care homes a period of grace before they start paying the income-tested component of their daily fees.

When will the initiative conclude?

- This initiative will be reviewed in the 2010-11 Budget.