



New Arrangements for Aged Care from 1 November 2025 – Residential Care

January 2026

This fact sheet applies to you if:

- you are entering or are currently in residential care
- your fees for permanent residential care are (or will be) calculated under 1 July 2014 fee arrangements or pre-1 July 2014 fee arrangements
- you are considering opting out of your existing fee arrangements, and opting in to the 1 November 2025 fee arrangements.

Your aged care provider must give you a copy of this fact sheet if you wish to opt in. It will help you understand how opting in works so you can make an informed decision.

It is your choice if you want to opt in to the 1 November 2025 fee arrangements.

You can opt in at any time

You can choose to opt in to the 1 November 2025 fee arrangements at any time, including:

- when entering an aged care home
- when moving from one aged care home to another
- while you are in an aged care home.

Opting in is permanent

If you opt in to the 1 November 2025 fee arrangements, this change is permanent and cannot be undone. You will not be able to return to your previous fee arrangements.

Seek financial advice

Opting in to the 1 November 2025 arrangements may change the type and amount of fees you pay. You should seek independent financial advice before deciding to opt in. This is important as you may pay more under these arrangements.

For information about seeking financial advice and education, visit the My Aged Care website at myagedcare.gov.au/financial-support-and-advice

How opting in affects your means testing arrangements

If you opt in to the 1 November 2025 arrangements:

- a different set of income and asset thresholds will be used to determine your means tested contributions

- your hotelling supplement will be means tested rather than paid in full by the government, and you may need to contribute to it with a hotelling contribution
- you may need to pay a non-clinical care contribution based on your means assessment.

Amounts payable under 1 November 2025 fee arrangements

If you opt in to the 1 November 2025 fee arrangements, you can be asked to pay the following types of fees and contributions:

- **Basic daily fee:** everyone pays this fee. It is set at 85% of the single basic age pension and increases twice a year in line with the age pension.
- **Hotelling contribution:** a contribution some people pay towards their daily living costs. The amount is determined by the means assessment up to a daily cap. No annual or lifetime caps apply.
- **Non-clinical care contribution (NCCC):** an additional contribution some people pay towards their non-clinical care costs. It is paid only by residents who can afford to pay the full hotelling contribution. The amount is determined by the means assessment. Residents stop paying the NCCC when they reach a lifetime cap or have paid it for a total of 4 years. Amounts previously paid as means tested care fees for residential care, income tested care fees for home care and contributions for Support at Home count towards the lifetime cap dollar amount. However, they do not count towards the 4-year timeframe.

The maximum contribution amounts, cap amounts and income and asset thresholds are listed in the Schedule of Fees and Charges for Residential Care on the department's website at health.gov.au/resources/publications/schedule-of-fees-and-charges-for-residential-care

In addition to the fees above, some aged care providers offer higher everyday living services that you pay for with a **higher everyday living fee** (HELP). These services are optional, and agreed between you and your provider. In many cases they replace additional service fee and extra service fee arrangements. Be sure to consider any impact on current additional fee arrangements when opting in. Find out more about HELP on the department's website at health.gov.au/our-work/residential-aged-care/charging/higher-everyday-living-additional-and-extra-service-fees

How opting in affects your accommodation costs

If you opt in to the 1 November 2025 fee arrangements, the 1 November 2025 accommodation payment arrangements may also apply to you. This includes refundable accommodation deposit (RAD) and refundable accommodation contribution (RAC) retention; and daily accommodation payment (DAP) indexation.

Whether the new accommodation arrangements immediately apply to you depends on whether you opt in before or after entering permanent care in your aged care home.

Read more about 1 November 2025 accommodation costs at myagedcare.gov.au/understanding-aged-care-home-accommodation-costs

Opting in before entering or moving between aged care homes

If you opt in **before** entering permanent care in an aged care home, or before moving to another home:

- The 1 November 2025 accommodation arrangements will apply to you when you enter.
- Your income and assets on the day you enter your aged care home will determine if you are eligible for assistance with accommodation costs. These are assessed in your aged care means assessment.
- If you are not eligible for assistance, or do not complete a means assessment, you will be required to pay the accommodation price you agreed to with your new provider.

Opting in while you are in an aged care home

If you opt in **after** entering permanent care in your aged care home:

- Your existing accommodation arrangements will not change while you remain in the same aged care home. However, if you later move to a new aged care home, the 1 November 2025 accommodation arrangements will apply to you.
- Your eligibility for assistance with accommodation costs was set based on your income and assets on the day you entered your aged care home. It will not change while you remain in the same aged care home.

How to opt in to the 1 November 2025 fee arrangements

To opt in to the 1 November 2025 fee arrangements, complete Services Australia's opting in form (AC022). Your aged care provider can give you a copy of this form, or you can find it on the Services Australia website at servicesaustralia.gov.au/ac022 or by searching 'AC022'. Give the completed form to your aged care provider, or to your new provider if you are moving aged care homes. The provider will submit it to Services Australia.

You also need to have a means assessment with Services Australia or the Department of Veterans' Affairs (DVA) to determine your eligibility for government assistance with your contributions (hotelling contribution and NCCC). If you enter an aged care home after opting in, the assessment will also determine your eligibility for assistance with accommodation costs at that home. If you choose not to complete one, you can still opt in but will pay the maximum contributions and the agreed room price.

After you opt in, you will receive a fee advice letter from Services Australia with the types of contributions and how much you can be asked to pay.

Further information

You can find more information about the 1 November 2025 fee arrangements on the My Aged Care website at myagedcare.gov.au/aged-care-home-costs-and-fees. The Aged care home fee estimator can provide an indication of the contributions you may be asked to pay based on information you enter and which fee arrangements you select. Visit My Aged Care at myagedcare.gov.au/aged-care-home-fee-estimator. This will be an estimate only – your actual fees are based on the assessment of your income and assets by Services Australia or DVA.

For information about aged care services, visit myagedcare.gov.au or call 1800 200 422.