



# New Arrangements for Aged Care from 1 July 2014 – Home Care

1 October 2022

This fact sheet applies to you if:

- you entered home care before 1 July 2014
- your fees are calculated under the arrangements that were in place prior to 1 July 2014
- you intend to change home care providers.

If you are changing home care providers, you may have the option to have your fees calculated under the fee arrangements that started on 1 July 2014. This fact sheet can help you decide whether to 'opt in' to the 1 July 2014 fee arrangements.

## How your fee arrangements are determined

If you exit your current home care arrangements for **more than 28 days** (not counting approved leave) before entering into a new home care agreement, your fees will be calculated under the arrangements that started on 1 July 2014.

If you enter your new home care agreement **within 28 days** (not counting approved leave) of exiting your current home care arrangements, your fees will continue to be calculated under the arrangements in place on 30 June 2014. You do not need to do anything to make this happen. Your new provider can advise you of the fees they will charge. However, you can also choose to have your fees calculated under the 1 July 2014 arrangements. If you opt in to the 1 July 2014 arrangements, you cannot, in future, decide to be covered once more by your existing fee arrangements. If you choose not to opt in, your fees will continue under current arrangements.

## Fees payable under the 1 July 2014 arrangements

From 1 July 2014, home care recipients can be asked to pay the following types of fees:

**Basic daily fee:** Everyone can be asked to pay this fee. The amount you pay varies depending on your package level but the most you can pay is 17.5% of the single person basic age pension. To see the maximum fee that providers can charge for each package level, go to Home Care Package costs and fees at [myagedcare.gov.au](http://myagedcare.gov.au).

**Income tested care fee:** If your income is above a certain amount, you will need to pay an income tested care fee to contribute to the cost of your care. This fee is different for everyone. Full pensioners do not pay this fee. Services Australia will work out if you are required to pay this fee based on an assessment of your income and will advise you of the amount. Annual and lifetime caps apply to the income tested care fee.

**Additional service fees:** You can choose to buy additional care and services that are not otherwise covered by your Home Care Package. You and your provider must agree on the fees for these services.

## Income tested care fees

The amount a person pays in income tested care fees depends on their income and cost of care.

You cannot be asked to pay an income tested care fee if you are a full pensioner (or have income equivalent to a full pensioner).

If your income is higher than a full pensioner's, one of two annual caps will limit the amount of income tested care fees you can be asked to pay in a year. The cap that applies to you will depend on your income, and both caps are applied on a daily basis.

There is also a lifetime cap that covers both income tested care fees in home care and means tested care fees in residential care.

The annual and lifetime caps are indexed on 20 March and 20 September every year and the cap amounts that apply are those current at the time you reach them. For current cap amounts see the [Schedule of Fees and Charges for Residential and Home Care](#) on the Department's website.

## How to 'opt in' to the 1 July 2014 fee arrangements

To opt in to the 1 July 2014 fee arrangements, complete an 'opt in' form and give it to your new provider before you start receiving services from them. Your new provider can give you a copy of this form, or you can find it on the [Services Australia](#) website.

If you 'opt in' and do not currently receive an income support payment, such as a pension, you should consider having your income assessed by Services Australia. If you choose not to complete an assessment you will be asked to pay the maximum income tested care fee, which will be the lower of either the cost of your care or the second cap amount.

## Further information

You can find more information about the 1 July 2014 fee arrangements on the [My Aged Care website](#). In addition, the My Aged Care [Fee Estimator](#) provides an indication of the fees you may be asked to pay based on your estimated income. This will be an estimate only – your actual fees will be decided based on the assessment of your income by Services Australia.

Your prospective new provider can give you information on the fees they would charge if you are eligible to opt in to the new arrangements but choose not to do so.

For information about aged care services, visit [myagedcare.gov.au](http://myagedcare.gov.au) or call **1800 200 422**.

## Financial advice

Financial advice may be of assistance when considering whether to opt in to the 1 July 2014 arrangements. For information visit the My Aged Care [Financial support and advice](#) page.