

Aged Care and the Family Home from January 2017

The Family Home and the Cost of Aged Care

Moving into aged care involves a myriad of decisions and one question that is often raised is “Are we able to keep the family home or should it be sold?”

Below is an overview of the property rules for your consideration:

Family Home and the Refundable Accommodation Deposit (RAD)

The family home **will** count towards a resident’s ability to contribute to their cost of care (RAD) unless one of the following lives in the home:

- ✓ A partner, or dependent child,
- ✓ A carer, who is eligible for an **income support payment**, has lived there for two years
- ✓ A close relative, who is eligible for an **income support payment**, and has been living in the home for at least five years.

*Income support excludes the Carers Allowance.

The Family Home and Your Age Pension

Any rental income received from the family home will be included towards a residents Age Pension entitlement.

The home asset will automatically remain exempt for the age pension asset test for only 2 years after you leave your home and enter into residential aged care. The family home asset will be included towards the calculation of your Age Pension entitlements after that two year period.

Family Home and the Means-Tested Care Fee

If the family home is rented the **rental income will be** included when looking at a resident’s ability to pay a Means Tested Care Fee. The home **asset** up to the value of \$166,707.20 will be included in the Means-Tested Care Fee calculation along with any rental income unless a protected person (named above) is living in the home.

Property Information Guide		
Home Rented	Age Pension Entitlement	Means Tested Care Fee (MTCF)
Yes	<ul style="list-style-type: none"> - Net rental included immediately - Home Asset included in 2 years 	<ul style="list-style-type: none"> - Net rental income included immediately - \$166,707.20 of Asset included immediately
No	<ul style="list-style-type: none"> - Rental Income not applicable - Home Asset included in 2 years 	<ul style="list-style-type: none"> - Income N/A - \$166,707.20 of Asset included immediately