

# Grandfathered Fees & Charges

Anyone who entered permanent residential aged care before 1 November 2025



## Who the grandfathered fees and charges apply to

If your loved one entered residential aged care before 1 November 2025, they will continue paying the fees that were in place before 2025, known as “grandfathered” fees. This means that for residents who moved in before 1 November 2025, the new fee changes do not apply to their current fees unless they choose to switch

## Types of Fees

Four types of fees may apply for permanent residential aged care:

- **Basic Daily Fee**
- **Means Tested Care Fee**
- **Accommodation Payment**
- **Additional Services Fee**

\*All amounts nominated below are current as of 20 March 2026 & indexed twice a year.

## Means Tested Care Fee

This covers the cost of healthcare for aged care residents. The means tested fee is calculated based on income and assets, including the resident’s home, if they own it.

A resident with over \$34,762 annual income and/or \$64,500 in assets will pay a means tested fee, which is an ongoing fee towards the cost of their personal / clinical care.

## Basic Daily Fee

This covers basic living costs. This fee is not means tested – everyone entering residential aged care pays the same basic daily fee.

The basic daily fee is currently **\$66.80 per day**

The basic daily fee equates to 85% of the single basic Age Pension and is indexed twice a year. This fee can be directly transferred from your pension.

## Fees charged for additional services

Some residential aged care facilities may charge extra fees for items such as pay TV or additional services. These fees are not government subsidised, so you must pay them in full if they apply. They are usually negotiable with Facility Management.

# Grandfathered Accommodation Payments

Anyone who entered permanent residential aged care before 1 November 2025

The cost of ‘buying’ or ‘renting’ a room in a residential aged care facility can be paid via a Refundable Accommodation Deposit (RAD), a Daily Accommodation Payment (DAP), or a combination of the two.

Whether you need to pay a RAD or DAP will depend on your assets and income, and the amount payable will vary according to the cost of the room you choose.

## RAD

### Refundable Accommodation Deposit

The RAD is an up-front payment that is fully refundable when you move out of a facility.

The average RAD in Australia is about \$470,000 but prices can vary greatly depending on location and facility. The RAD is often an ‘advertised price’ and is negotiated between the resident and the aged care facility.

Not everyone will have to pay a RAD to enter residential aged care, as this payment is means tested against the assets and income of an individual new resident.

## DAP

### Daily Accommodation Deposit

The DAP is paid periodically (usually fortnightly or monthly) and is not refundable.

The DAP is calculated using the amount of the RAD for your chosen room multiplied by the Maximum Permissible Interest Rate (MPIR) set by the Australian Government, 7.96% divided by 365 days.



## Payment Option Timeframes

Choose your payment option within 28 days of moving in.

**Ways to pay:** Lump sum (RAD), daily amount (DAP), or a mix.

**If you choose a lump sum (RAD):** You have up to 6 months from entering care to pay it.

**While deciding or until the RAD is paid:** You’ll pay a daily amount (DAP) on the unpaid balance, calculated using the MPIR.

# New Fees & Contributions

Anyone who enters permanent residential aged care on or after 1 November 2025

## Who the New Fees & Charges Apply to

From 1 November 2025, residential aged care fees will change under the Aged Care Act 2024. These updates are designed to bring greater clarity, fairness, and consistency to how aged care is funded. The new fees and contributions apply to anyone who enters permanent residential aged care on or after 1 November 2025.

### Overview

Four types of fees may apply for permanent residential aged care:

- > **Basic Daily Fee**
- > **Non-Clinical Care Contribution (NCCC)**
- > **Hotelling Supplement Contribution (HSC)**
- > **Accommodation Payment**

\*All amounts nominated below are current as of 20 March 2026 & indexed twice a year.

### Basic Daily Fee

**The basic daily fee \$66.80 per day,** indexed twice a year.

This covers basic living costs. Everyone pays the same basic daily fee (not means tested). The basic daily fee is 85% of the single basic Age Pension and can be paid directly from your pension.

### Non-Clinical Care Contribution (NCCC)

**The NCCC daily cap is \$107.32 per day,** indexed twice a year.

The NCCC replaces the old Means Tested Care Fee. It helps cover day-to-day personal support, such as help with dressing, bathing, or mobility. This contribution is based on income and assets.

Lifetime protection: Payments end after four years or once \$137,917.01 (indexed) is reached, providing long-term cost protection.



### Hotelling Supplement Contribution (HSC)

**The HSC Daily cap is \$22.15 per day,** indexed twice a year.

The HSC separates living costs from care costs. The HSC helps cover everyday living costs in an aged care home; like meals, cleaning, laundry, electricity and water. This contribution is based on income and assets (means tested).

# New Accommodation Payments

Anyone who enters permanent residential aged care on or after 1 November 2025

## The Cost of Your Room in Residential Aged Care

The cost of 'buying' or 'renting' a room in a residential aged care facility can be paid via a Refundable Accommodation Deposit (RAD), a Daily Accommodation Payment (DAP), or a combination of the two. Whether you need to pay a RAD or DAP will depend on your assets and income, and the amount payable will vary according to the cost of the room you choose.

### Government Support

Residents who are eligible for government support may pay a contribution, instead of a full RAD payment. This may be a Refundable Accommodation Contribution (RAC) as a lump sum, a Daily Accommodation Contribution (DAC) as a daily amount, or a combination of both.

#### RAD Refundable Accommodation Deposit

The RAD is an up-front payment for accommodation and is refundable when you leave the aged care home, subject to the new retention rules.

**From 1 November 2025, providers may retain up to 2% per year of a RAD (or RAC) for up to five years with a maximum total of 10% of a RAD (or RAC).**

The RAD amount is agreed between the resident (or their representative) and the aged care provider, based on the room price published for that accommodation.

If the full RAD amount is not paid, a Daily Accommodation Payment (DAP) is charged on the unpaid portion.

#### DAP Daily Accommodation Deposit

The DAP is a periodic payment (usually fortnightly or monthly) that is not refundable.

The DAP is calculated using the amount of the RAD for your chosen room, multiplied by the Maximum Permissible Interest Rate (MPIR) set by the Australian Government, and divided by 365 days.

Formula: **(Unpaid RAD × MPIR) ÷ 365**

The MPIR is set by the Australian Government - The **current rate is 7.96%** (indexed). The rate on the day you agree to the room price applies and remains fixed for that room while you live there.

### Payment Option Timeframes

Choose your payment option within 28 days of moving in.

**Ways to pay:** Lump sum (RAD), daily amount (DAP), or a mix.

**If you choose a lump sum (RAD):** You have up to 6 months from entering care to pay it.

**While deciding or until the RAD is paid:** You'll pay a daily amount (DAP) on the unpaid balance, calculated using the MPIR.