

What activities or products would support you to prepare for the new Aged Care Act 2024?

Other

The income tested care fee under the 1997 Act includes part of the social security/DVA payment, but the income reduction amount calculation in the 2024 Act excludes it even for "grandfathered" clients. Is this an intended change?

Further detail and references:

The current Aged Care Act 1997 s 48-7 contains the method to work out an individual's assessable income which refers to s 44-24 and this includes the social security/DVA payment less parts of the supplements. However, Stage 2b draft rules ss 314-55(2) and 314-60 notes that the income reduction amount for Post-2014 home contribution class is the ordinary income from Module E of Pension Rate Calculator A (the same for new Support At Home recipients after the transition time). This means that the assessable income will no longer include the social security/DVA payments (less part of the supplements) when calculating grandfathered individual contributions under the Rules. Is this an intended change?

The third asset and third income thresholds do not appear to be correct. These thresholds should work out to add an equivalent of the maximum hotelling supplement (per s 230-5 of the draft rules this is \$12.55). However, using the draft rules third asset threshold of \$299,480 less the second asset threshold of \$238,000 is \$61,480 multiplied by 7.8% (Step 12 of s 319(1) Aged Care Act 2024 - there is the other part but this should equal to the maximum accommodation supplement which it does) is \$4,795.44. Per day is \$13.13 which is not equivalent. The same applies for the third income threshold.