



Australian Government



myagedcare



Refund of lump sums paid for accommodation

Lump sums paid for accommodation

When a person enters an aged care home they may pay a lump sum (e.g. a 'refundable accommodation deposit', a 'refundable accommodation contribution' or 'accommodation bond') to the provider.

On leaving the home, the lump sum balance must be refunded to the resident or their estate, less any amounts agreed to be deducted. Any deductions, such as extra services or care fees, must first have been agreed with the resident in writing and listed in the resident or accommodation agreement.

If third parties, such as family members, pay the lump sum on behalf of the resident, they may wish to seek legal advice about the resident's Will, so that there is a record of any money that needs to be paid back to the third party.



When the refund is paid after a resident dies

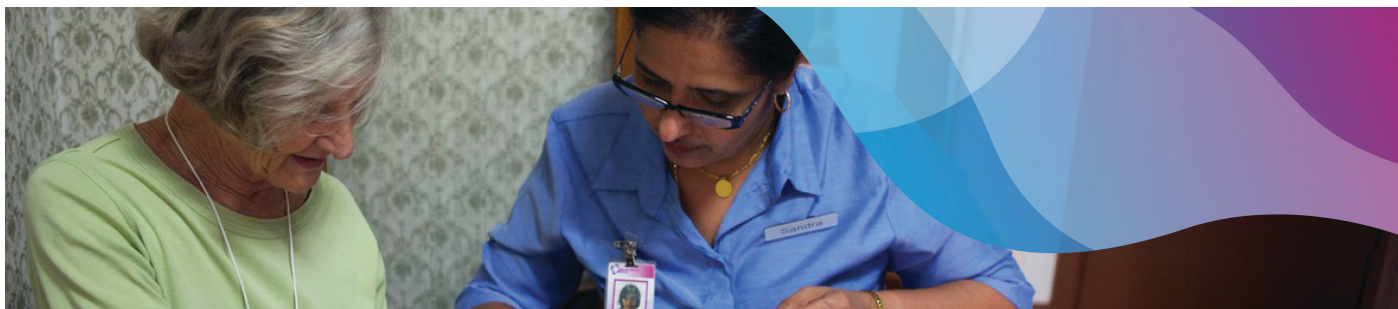
If a resident dies, the provider **must** refund the lump sum balance less any allowable amounts that have been deducted over the care period, within 14 days of receiving either:

- evidence of probate of the resident's Will (the official proving of a Will) or
- letters of administration of the estate.

The provider may refund the lump sum balance without evidence of probate or letters of administration, if they are confident that the correct legal beneficiary has been identified, but they do have the right to ask to see these documents. This protects the aged care provider and the resident's estate by ensuring the resident's wishes are followed by identifying who is entitled to receive the refund.



For further information, go to My Aged Care
1800 200 422 | www.myagedcare.com.au



When the refund is paid if you move residential services

If the resident moves from one aged care home to another, the previous provider **must** refund the lump sum balance, less any allowable amounts that have been deducted over the care period. Refund timeframes are as follows:

- If more than 14 days' notice of leaving is given, then the lump sum balance must be refunded on the day of leaving.
- If notice of 14 days or less of leaving is given, then the lump sum balance must be repaid within 14 days after the day of giving notice.
- If no notice of leaving is given, the provider must refund the lump sum balance within 14 days after the day of leaving.

Before moving, you need to agree to fees and payment arrangements with the new aged care home. If you are a resident who entered care and paid an accommodation bond before 1 July 2014, you can choose to roll over your existing bond balance to the new provider.

Alternatively, you can opt-in to the post 1 July 2014 fees and payments arrangements—ask your new aged care provider for information on how to opt-in, including the form you need to complete. Opting-in to the new arrangements may change your aged care fees, so it is recommended you seek independent financial advice beforehand.

Interest

No interest is payable on a lump sum while a resident is in care. However, providers must pay interest on the lump sum balance to the resident or their estate for any time the provider holds the lump sum after care to the resident has ended.

The interest rate and amount of interest will depend on when the lump sum balance is refunded.

Guarantee Scheme

If a resident's aged care provider becomes bankrupt or insolvent and cannot refund lump sum balances, the Australian Government guarantees to repay an amount the same as the lump sum balance amount, including any interest due since the resident left care, to the resident or their estate. The Guarantee Scheme covers lump sum paying residents of Australian Government subsidised aged care services.

Questions to ask the provider

- What is the amount of the lump sum balance?
- What deductions will apply?
- What date must the provider refund the lump sum by?

Further information

For further information on interest rates and refundable accommodation deposits or bonds:

- ask your service provider
- call My Aged Care: 1800 200 422
- go to www.myagedcare.gov.au



For further information, go to My Aged Care
1800 200 422 | www.myagedcare.com.au