

Take your 28 days to decide

How you choose to pay for your room in aged care is an important decision, and with large dollars involved, it is one that should not be rushed. Know your rights and take time to get advice.

When moving into residential care, your first financial challenge is likely to be deciding how to pay for your room – a lump sum or a daily fee. Some people feel pressured to make this choice quickly but we advise taking the time to make a considered decision.

You (and not the aged care provider) have the right to choose which option you want to take. And the legislation gives you 28 days after moving into care to make this choice.

In our experience, problems arise when the aged care provider does not follow the rules, or families don't understand their rights and make the choice too quickly.

What choices do you have?

The room price is set by the aged care provider, while the government sets the interest rate that converts this lump sum into a daily fee. If you choose to pay a lump sum, the care provider must give you six months to rearrange your assets to pay the fee.

When do you need to make the choice?

No matter what an aged care provider tells you, they should not force you to make the choice before you move into care. In fact, you have the legal right to take up to 28 days **after** moving into care to make the decision. At the time of entry, when you sign the Resident Agreement, you only need to agree on the room price.

Despite the rules, we see many cases where providers encourage residents to make the choice when accepting the room offer. The provider might have good business reasons for taking this stance but the rules do not allow it.

If paying the lump sum works for you, there may be advantages to accepting this option. But make sure you have taken time and sought advice before making a decision.

Can you change your mind?

If you are unsure on the best option, you might choose the daily fee because you retain the option to change your mind and pay a lump sum later. But if you make the choice within the 28 days to pay a lump sum, the provider can hold you to this choice.

Advice can help you to make a fully informed decision. However, not all advice is good advice. Aged care financial advice is a specialist area. The rules change constantly, as do the available strategies. You don't need extra stress wondering if you've received quality advice! We specialise in aged care advice, so if you need help, call our office today on <phone number> and ask us how we can help you.

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