

Moving into care – do I have to sell my home?

If moving into residential aged care, do you really have to sell your home? What are your choices? Myths and misunderstanding about the rules can add to anxiety and confusion.

The stress of moving into residential aged care can be compounded by anxiety around selling the family home. Some people may find it hard to part with their home or may not be ready to sell. This can raise concerns about how to afford the fees.

Knowing that you have choices, and accessing advice to understand these choices may help to reduce stress and create a better outcome.

Do you have to sell?

Some people panic when faced with paying several hundred thousand dollars for a room in aged care. But selling your former home is not your only choice. Some people choose to sell, others don't.

The move into residential care is effectively just a move to a new home. Anytime you move homes, you can choose to buy or rent. Renting allows you to live in a home you can't afford to buy, or don't want to buy.

With residential care you have the same options. Your room price is usually quoted as a lump sum which can be converted into a daily fee using a specified rate of interest. Paying this daily fee (or "renting" the room) may allow you to keep your former home if that is your preference.

Example:

Catherine agrees to pay \$600,000 for her room in residential care. At the current interest rate of 4.04% per annum, this converts to \$66.41 per day (plus other ongoing fees). This gives Catherine the choice to "buy" the right to live in the room for \$600,000 or "rent" the room for \$66.41 per day. She could also choose part buy and part rent.

When to make a choice?

The decision whether to sell or keep the former home has many personal aspects, but accessing advice can help to reduce some stress.

Once you have been offered a room, you will be asked to sign a Resident Agreement. This is a contract outlining your rights and responsibilities and the obligations of the care provider. It includes the fees you can be asked to pay.

This agreement should specify the room price and show what this converts to as a daily fee. But you don't have to make a choice then. You have 28 days after moving into care to let the provider know whether you want to pay the full price as a lump sum (refundable accommodation deposit – RAD) or daily rent (daily accommodation payment – DAP) or a combination of the two.



The 28 days gives you time to seek good advice to make an informed choice.

As Accredited Aged Care Professionals™ we have helped many clients to make this choice. We help to find a choice that is affordable, as well as works best for the family and protects the value of the estate.

Call us today on **03 93 83112** or email sonia@financialstability.com.au to discuss how we can help make your aged care experience less stressful.



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