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## Rental Exemption when calculating the MTCF ceases from 1 Jan 2016

Currently, rental income from a resident's former principal home is not assessable for means tested care fee calculations for residents who pay their accommodation costs partly or fully by way of DAPs.

The Subsidy Principles (under the Aged Care Act) have now been amended as follow:

From 1 January 2016, rental income for any new resident from that resident's former principal place of residence where the resident pays a DAP or a DAC will no longer be exempt from income testing for the purposes of calculating the Means Tested Care Fee (MTCF). Existing residents are exempt. Existing residents transferring to another service within 28 days are also exempt.

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## MTCF for a Resident who leaves a Care Facility before the Approved Provider has received notice of the Resident's MTCF?

- In most cases, an Interim MTCF should be levied from entry and this is then to be reconciled by the provider to the actual Means Tested Subsidy Reduction (MTSR) - which is often less than the advised MTCF, because only the total of ACFI and primary supplements can be charged.
- An MTCF should be charged back to day of entry for any resident

who has had an MTCF or a status of Means Not Disclosed (MND) (and an MTCF) determined, even if they have now left the facility or are now deceased. The payment statement will show the exact amount of MTSR and this is the amount that is to be charged as MTCF to the resident.

- If a person has left a facility, or died, before any MTCF is determined (including for a status of MND), then there will be no MTSR and thus any Interim MTCF that has been charged is to be refunded.

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## **Supported Resident Ratio where a Resident exceeds 52 Days Social Leave?**

A care recipient can be taken to be provided with residential care while they are on leave. However, a care recipient who exceeds the maximum limit of 52 days social leave in a financial year is taken to have not been provided with residential care on those social leave days that are over the limit.

When determining the rate of accommodation supplement, the Department of Health takes into account whether more than 40% of the care recipients to whom a service is providing residential care are assisted residents, concessional residents, low means care recipients or supported residents (and thus whether the higher subsidy rate is payable).

A care recipient will not qualify for the accommodation supplement, or be included in the percentage of residents to whom the service is providing residential care, on days that they are on social leave in excess of 52 in a financial year. This may impact on whether a service meets the "more than 40% ratio" on a given day.

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## **The JU&A National Executive Salaries Review (NESR) Report**

Since 2001, JU&A has conducted the NESR in response to a need for industry-specific salary benchmarks. The NESR provides information on salary and benefits benchmarks by state, location, size and type of organisation for all the standard executive positions within aged residential and home care.

A unique feature of this survey is that it is constantly updated. It is not just an 'annual' survey. New participants enter their data throughout the year (and we review the data

and then upload it). For a small, annual cost, participants can then access the latest data whenever it is needed: budget time, staff appraisals, staff recruitment, and so on.

When issuing the results, we assure full confidentiality: each participant is given a code and we always round the numbers of RACS places in each facility to the nearest 10.

Participation is fast and easy. For details on how to participate, please email our office - [juoffice@underwoods.com.au](mailto:juoffice@underwoods.com.au).

To view a small excerpt from our NESR Report, please click the following link: [NESR Excerpt](#).



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