



ACCOMMODATION BONDS EXPLAINED.

WHAT ARE ACCOMMODATION BONDS?

An accommodation bond is a refundable, interest free loan made to the Village, enabling the provision of Village buildings, other assets and facilities, and to enable ongoing upgrades.

St Andrews Village is a not-for-profit organisation and does not have shareholders who receive a dividend. We therefore set the accommodation bond as low as possible, but at a level appropriate to the standard and quality of facilities we offer.

Accommodation bond amounts do vary between facilities, but the "Aged Care Act" requires the resident to be left with a level of assets not less than 2.25 times the annual single aged pension, after paying any bond. This is known as the minimum permissible asset value (**MPAV**).

St Andrews Village requires an asset assessment be conducted by either Centrelink or the Department of Veteran Affairs **or** a signed declaration by the resident (provided in the application form) indicating that they have decided not to provide financial information and instead have given a written assurance of their complicity with the MPAV regulations.

FLEXIBLE BOND OPTIONS

The "Aged Care Act" provides flexibility with the option to pay the bond as a lump sum or as a periodic payment.

If a resident chooses to use a periodic payment option for the bond, interest will be charged to cover the associated costs. (Periodic payments residents may, at any time, opt pay the outstanding balance.)

Where the periodic payment option is chosen, interest is payable on the full lump sum amount at the rate which the Government determines. As at 2 September 2011 this rate is 9.0% pa.

New residents have by right, six months to pay an accommodation bond by lump-sum. This gives residents time to, sell a house, for example. Please note however, interest is charged at the above rate on any unpaid bond amount from the time you enter the Village.

SPECIAL CIRCUMSTANCES BOND FLEXIBILITY

St Andrews Village will consider bond flexibility in certain circumstances; however, all documentation must be received before a decision can be made. If you are experiencing difficulty regarding our standard bonds, please discuss your special circumstances (in confidence) with our Residency Coordinator on 6283 4999.



Residents and their families are always advised to obtain independent financial and legal advice related to their personal circumstances before choosing a particular bond payment option.

RESIDENCY AGREEMENT

New residents must complete a Resident Agreement before they enter St Andrews Village. This Agreement meets the requirements and falls within protections of the “Aged Care Act”, and outlines the rights and responsibilities of the resident and the Village.

BOND RETENTION ALLOWANCE

Bond Retention allowances are deducted monthly from the Bond for a **maximum of 5 years**. Again the retentions are used by the Village to fund and provide the high standard of facilities residents enjoy.

The retention levels at St Andrews Village are determined by the “Aged Care Act” (1997). The maximum that can be retained is set for the lifetime of the residency and as at **1 July 2011**, it is **\$19,080** in total, being deducted at the rate of **\$318.00 per month** or **\$3,816 per year** for a **maximum of 5 years**.

The balance of bond is refunded to the resident or their estate when residency at the Village is no longer required.

SUPPORTED RESIDENTS

Supported residents are those who do not have the financial capacity to pay an accommodation bond based on the above criteria set by the Commonwealth Government. A limited number of places are available at St Andrews Village to residents deemed to be Fully Supported, and who have care needs that fall within St Andrews priority guidelines.

The Commonwealth Government presently considers a person to be eligible as a Fully Supported resident where their net assets are less than \$39,000.

Supported Residents must also complete a Resident Agreement before they enter St Andrews Village. This Agreement is fully consistent with the requirements and protections of the “Aged Care Act” (1997), and outlines the rights and responsibilities of the Resident and the Village.

The following explanation of the Resident Fee Schedule as established by the Department of Health and Ageing is based on current policies which change from time to time.

This comprises:

- (i) a basic daily fee, plus
- (ii) an income tested fee.



(i) In line with the “Aged Care Act” (1997), the basic daily care fee is presently **\$41.34 (CPI indexed)**, and is paid by all new residents regardless of whether they pay an accommodation bond or not.

(ii) In addition, residents who have the financial capacity to do so will be required to pay an income tested fee up to a maximum of **\$64.69 (also CPI indexed)** per day.

The income tested fee depends on criteria established by the Department of Health and Ageing and Centrelink and is specific to individual residents and so prospective residents should make their own enquiry of this fee.

*(Note that dollar amounts in this information kit are correct as of **20 September 2011** but may change from time to time)*