



**Australian Government**  
**Department of Health and Ageing**

## **Base Interest Rate for Accommodation Bond Refunds Changes on 17 November 2008**

The Base Interest Rate applicable to 'refund periods' that commence on or after 17 November 2008 (that is the resident ceases to be provided with care on or after 16 November 2008) has been set at 5.0% per annum. The Base Interest Rate for residents who depart prior to 16 November remains unchanged.

The BIR to be used in calculating interest is the BIR applicable on the day after the resident's departure.

## **The Maximum Permissible Interest Rate Remains Unchanged**

The Maximum Permissible Interest Rate for residents whose refunds are paid after the end of the legislated timeframe for refunding accommodation bonds or the time set out in the Formal Agreement for entry contributions in the quarter 1 October 2008 to 31 December 2008 remains at 11.31%.

The interest rate remains fixed at this rate until the bond or entry contribution is refunded.

For further details on the rules regarding payment of interest and examples of how the two interest rates are applied refer to the *User's Guide to the regulation of approved providers holding accommodation bonds*.

Previous Base Interest Rates and Maximum Permissible Interest Rates can be found on the Department's Internet site at:

<http://www.health.gov.au/internet/main/publishing.nsf/Content/ageing-finance-refundrates.htm>