



# RETIREMENT VILLAGES AND RENT ASSISTANCE

March 2010

## FACT SHEET

This fact sheet has been produced to aid retirement village operators in their understanding of rent assistance. It aims to help operators understand the rules, rates and thresholds that apply to rent assistance so that they are able to support residents and maximise rental income. This fact sheet is updated twice a year: in March and September. For the current version, please go to the Members Only section of the ACSA website: [www.agedcare.org.au](http://www.agedcare.org.au).

### Rent assistance and Retirement Villages

- Rent assistance is a non-taxable allowance to help eligible individuals meet the cost of rented accommodation.
- Rent includes the amount paid by a person on a regular basis for occupying a residence and includes fees paid for services in a self-care retirement village.

### Who is eligible?

Individuals are eligible for rent assistance if they:

- Receive full or part age pension; and
- Pay rent other than Government rent; and
- Pay a minimum amount of rent known as the rent threshold; and
- Live in Australia

### Further eligibility requirements for individuals in Retirement Villages

- Individuals *will not be eligible* for rent assistance if they live in a retirement village and have paid an *entry contribution of more than \$129,000* totalling all contracts (current as at 20 September 2009) whether they are single or a member of a couple. (Note that ongoing fees and charges are not included.)
- There is a minimum amount of rent that must be paid in order for an individual to receive rent assistance. This means that an individual will not be eligible if they pay rent that is less than the *rent threshold*.

## Rent threshold

As at March 2010 the rent threshold (i.e. the minimum rent that must be paid in order to be eligible for rent assistance) is:

- Singles: \$100.80 per fortnight
- Couples: \$164.40 per fortnight

## Maximum rate of rent assistance

As at March 2010 the maximum rate of rent assistance (i.e. the maximum amount of rent assistance that an individual can be paid) is:

- Singles: \$113.40 per fortnight
- Couples: \$107.00 per fortnight

## Calculating rent assistance

For every \$1 of rent that an individual pays above, or in excess of, the rent threshold, the individual will receive \$0.75 of rent assistance. Rent assistance stops increasing when an individual reaches the maximum rate of rent assistance available.

### Example 1: Singles

To calculate the amount of rent assistance available to a single pensioner paying \$200.00 rent per fortnight:

- Amount of rent paid (**\$200.00**) – rent threshold (**\$100.80**) = **\$99.20**
- **\$99.20 x 0.75 = \$74.40**

This single pensioner will be entitled to **\$74.40** rent assistance per fortnight.

### Example 2: Singles

To calculate the amount of rent assistance available to a single pensioner paying \$300.00 rent per fortnight:

- Amount of rent paid (**\$300.00**) – rent threshold (**\$100.80**) = **\$199.20**
- **\$199.20 x 0.75 = \$149.40**

This single pensioner will be entitled to **\$113.40** rent assistance per fortnight, i.e. the maximum amount payable.

Note, that even though the calculation for this pensioner comes to \$149.40, they are still only entitled to \$113.40 rent assistance per fortnight, as this is the maximum rate payable.

### Example 3: Couple

To calculate the amount of rent assistance available to a pensioner couple who are paying \$270.00 rent per fortnight:

- Amount of rent paid (**\$270.00**) – rent threshold (**\$164.40**) = **\$105.60**
- **\$105.60 x 0.75 = \$79.20**

This pensioner couple will be entitled to **\$79.20** rent assistance per fortnight.

The maximum rent assistance payable for couples is **\$107.00** per fortnight.

### Changes to rates and thresholds

Rent assistance rates and thresholds are reviewed regularly, in line with movements in the cost of living:

- Rent assistance rates are reviewed twice yearly, in March and September.
- Rent thresholds are reviewed twice yearly, in March and September.

### Sharing accommodation

A different threshold applies to individuals who are sharing a major area of their accommodation with others, including a bathroom, kitchen or bedroom. The maximum rate of rent assistance payable is two thirds that of the maximum single rate:

Singles shared rent maximum rate: \$75.59 per fortnight.

### References and resources

- Centrelink:  
Website: [www.centrelink.gov.au](http://www.centrelink.gov.au)  
Phone: 13 23 00

Fact sheets are available at:

<http://www.centrelink.gov.au/internet/internet.nsf/publications/co030.htm>

Fact Sheet - Retirement Payment Rates

- Department of Veterans' Affairs  
The DVA has a number of fact sheets on rent assistance that include calculations.  
Fact Sheets are available at:  
<http://www.centrelink.gov.au/internet/internet.nsf/publications/co030.htm>  
<http://www.dva.gov.au/eligibilityandclaims/Pages/Factsheets.aspx>

See Fact Sheets:

- IS73 Granny Flats, Retirement Villages, Sale Leaseback Agreements.
- IS74 Renting and Rent Assistance.
- IS75 Renting and Rent Assistance – Social Security Age Pensioners.

**The information provided in this ACSA Fact Sheet is intended as a guide only. Confirmation of payment calculations, rates and thresholds should always be sought from Centrelink.**