

## Part 5 - Where can I get more information?

### Independent advice

You can contact another organisation for independent advice on charging for residential and nursing care such as Age Concern on: **01432 350 483** or the Citizens Advice Bureau on: **01432 377 599**

You may also wish to speak to a solicitor, particularly if you have concerns about your property.

### Help with benefits

For advice about Pension Credits contact the DWP Pension Service on: **0845 60 60 265**

If you have a query about Housing or Council Tax Benefit contact the Herefordshire Council Benefits Team on: **01432 260333** or via e-mail on **benefits@herefordshire.gov.uk**

You can get help with claiming a range of benefits from Herefordshire's Joint Visiting Team during a single visit to your home. You can contact them on **01432 363756** or **01432 363686**

You can also ask us for help with claiming benefits at:

**www.herefordshire.gov.uk**

Go to Advice and Benefits, then Benefits, then Help with Claiming Welfare Benefits and fill out the Welfare Benefits Referral form.

### General advice on charges for residential care

This leaflet explains the basic principles of the financial assessment process. For more detailed information contact the Residential Finance Team on: Telephone: **01432 260554** or **01432 261616** or **01432 261811**

### E-mail:

residentialfinance@herefordshire.gov.uk

### Write to:

Residential Finance Team  
County Offices, Bath Street  
Hereford HR1 2HQ

If you would like help to understand this document, or would like it in another format or language, please call the Residential Finance Team on: **01432 260554**, **01432 261616** or **01432 261811** or e-mail: **residentialfinance@herefordshire.gov.uk**

## Paying for Residential and Nursing Care

# How much will I have to pay?



Working in partnership for the people of Herefordshire



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## Part 1 - Paying for residential and nursing care

### How much will I have to pay for my residential or nursing care?

The cost of care in a residential or nursing home depends on the type of care that you need. The weekly charge made by a residential or nursing home can differ quite widely from home to home.

How much you will actually pay for your care will depend upon your finances. If you have enough money to pay for yourself, you will make your own arrangements with the home. If you can't afford to pay for your residential care Herefordshire Council may be able to help you with some of the costs. We will carry out a financial assessment to work out whether you are entitled to help.

### What happens to my benefits if I go into a residential or nursing home?

Decisions about benefit entitlement can be quite complicated as circumstances vary from person to person and you may want to seek independent advice. However, it is important that you contact the Department for Work and Pensions to tell them that you are going into residential or nursing care.

Your existing benefits may be affected if you enter residential or nursing care. The effect on the most common benefits is as follows:

- **Attendance Allowance and Disability Living Allowance Care Component**

These benefits will usually stop after 28 days. The exceptions to this are where:

- you are receiving nursing care because you are terminally ill or,
- you have made your own arrangements and you are

paying the full cost of your care yourself - this can apply even if you are receiving Pension Credit or Income Support, or,

- Herefordshire Council has made the arrangements for your care and you are paying the full standard charge, or,
- you have entered into a Deferred Payment Agreement (see Part 4 - Property).

■ **Disability Living Allowance Mobility Component**

Entitlement to this benefit will not be affected by a stay in residential or nursing care.

■ **Pension Credit or Income Support**

Your entitlement to these benefits may change once you enter residential or nursing care.

■ **Housing and Council Tax Benefit**

Even if your stay in residential care is short term, any Housing

Benefit or Council Tax Benefit you are already receiving may be affected if your stay in residential or nursing care is longer than 13 weeks.

When you become a permanent resident in a residential or nursing home, Housing Benefit and Council Tax Benefit will stop after the four-week notice period.

If you move into residential or nursing care on either a long term or a short term basis, and you are in receipt of Housing Benefit or Council Tax Benefit, you should contact the Herefordshire Council Benefits Team on (01432) 260333 or [benefits@herefordshire.gov.uk](mailto:benefits@herefordshire.gov.uk)

If you go into permanent residential care and your property is left unoccupied the property becomes exempt from Council Tax. You should notify the Council Tax office so that they can correctly assess liability to pay and entitlement to exemptions. The phone number of the Council Tax office is 01432 260360

**What happens to my partner's benefits?**

Once you move into residential or nursing care your partner who remains at home may be able to claim benefits like Pension Credit, Income Support, Housing Benefit or Council Tax Benefit in their own right, or to claim an increase in the benefits they are already receiving. For example, if your partner is living at home alone, he or she may be able to get a 25% reduction in Council Tax.

If you enter residential or nursing care on a long term basis, you and your partner will have your benefits paid separately. Both you and your partner will be treated as individual claimants. Claiming benefits can be quite complicated but the Department for Work and Pensions will advise you what you need to do.

See page 16 for contact details.



## Part 2 - Making your own arrangements

### When will I need to make my own arrangements?

You will need to make your own arrangements for residential or nursing care if one or more of the following situations applies to you:

- You have money, investments or savings above the current upper capital limit.
- You have a home or other property to sell which is worth more than the current upper capital limit (see Page 14 for more information regarding property issues).
- You have a large weekly income - for example from an occupational pension.

The 'capital limit' is an amount set by the Government to determine whether a person can afford to pay for their own

care. See separate leaflet for the current upper capital limit. However, if your home is worth more than the current upper capital limit, but any other capital and savings you have are less than the current capital limit, you may be entitled to help with funding for the first 12 weeks of your permanent admission to care. See Part 4 for more information about property.

### What do I need to know about making my own arrangements?

If you have to make your own arrangements:

- You should be able to continue receiving your Attendance Allowance or Disability Living Allowance Care Component.
- If your money is tied up in your property, you may be able to claim Pension Credit or Income Support for up to 12 months whilst your property is on the market, and may still receive Attendance Allowance

or Disability Living Allowance Care Component.

- The Department for Work and Pensions will not reclaim benefits from the proceeds of the sale of your property.

### If I make my own arrangements, how do I pay for my care?

If you have made your own arrangements you will have to come to an agreement with the home about how you will pay. Each home has its own arrangements for billing its residents for their care.



## Part 3 -

# Asking Herefordshire Council for help with charges

If you cannot afford to pay the full cost of your residential or nursing care yourself, Herefordshire Council will agree with the home to pay them for the level of care that you need. Herefordshire Council has an agreement with residential and nursing homes about the maximum amount the Council will pay if they make arrangements for a person's care.

If you have previously made your own arrangements and you are asking Herefordshire Council for help with funding because your capital has now reduced below the upper capital limit, Herefordshire Council will only contribute

towards the funding at our agreed contract rate. This means that if you are in a more expensive home you will need to ask a 'third party' (someone such as a friend or relative) to pay the difference or consider moving to a less expensive home.

The Council will only pay for personal care and accommodation, so if there is a possibility you may need nursing care, the Primary Care Trust will arrange to carry out a nursing care assessment, usually before you move in. If you need nursing care the Primary Care Trust contributes some of the cost of your nursing care placement.

Herefordshire Council will then assess how much you can afford to contribute towards the cost. The amount you can afford to pay will depend on how much income and capital you have and will be decided after a detailed financial assessment has been completed .

## What is the financial assessment?

The financial assessment is the procedure used by Herefordshire Council to decide how much you can afford to pay towards the cost of your care.

It is carried out following the Department of Health guidance called 'Charging for Residential Accommodation Guide' (sometimes known as 'CRAG') and Government legislation, the National Assistance (Assessment of Resources) Regulations 1992.

Once your care manager has completed your Community Care Assessment and it has been agreed you need residential or nursing care, a Welfare and Financial Assessment Officer will contact you or your representative to arrange a meeting.

At the meeting the Welfare and Financial Assessment Officer will take details of all your income and capital, including details of your home or other property,

and you or your representative will be asked to sign to agree the information provided is correct. Herefordshire Council will then complete the financial assessment using the details provided and will give you written notification of the amount you have to pay.

The amount you have to pay may change several times over the first few months as the regulations for the way income and expenditure is treated during this initial period are complex. You will be notified of each change so that you always know how much to pay.

## How much of my weekly income will be counted in the assessment?

Generally all of your income, e.g. State Retirement Pension, Private Pensions, Pension Credit, Income Support, etc., is counted in the assessment, but Herefordshire Council will ensure that you will always be left with a standard weekly personal expenses allowance.

Some income is not counted. For example, part of any Savings Credit, Disability Living Allowance Mobility Component and the first £10 of War Disablement Pensions or War Widows Pensions is not counted as income.

Any Attendance Allowance or Disability Living Allowance Care Component you receive will be counted in the financial assessment. However, these benefits may stop after you have been in care or hospital for four weeks. The benefits may also stop if you have spent 28 days in a combination of residential care and hospital. We will only count the benefits that you are actually entitled to receive.

Only income and capital belonging to you will be counted in the assessment. Any income and capital belonging to your partner, children or carer will not be counted.

### How much of my capital is counted?

All types of savings and any stocks or shares you hold will usually be counted as capital. If you hold capital with your partner or some other person, only the amount which belongs to you will be counted. This generally means that we will assume you have equal shares.

- If you have capital above the current upper capital limit - Herefordshire Council will not normally get involved in making the arrangements for your care. In these circumstances you would be expected to make your own arrangements, unless you are unable to manage your own affairs and there is nobody else who can manage them for you.
- If you have capital between the current lower and upper capital limits Herefordshire Council will assume you have a weekly income from this at a rate of £1 for every £250 held between these limits, and this

will be added to your other income to work out how much you should pay.

- If you have capital below the current lower capital limit it will not be counted in the financial assessment.

The 'capital limit' is an amount set by the Government to determine whether a person can afford to pay for their own care. See separate leaflet for the current upper and lower capital limits.

### Will my partner have to pay anything towards the cost of my care?

No. The calculation of your contribution towards the cost of your care will be based on your own income, capital and savings. Where savings or bank accounts are in joint names then we will usually treat these as if they are shared equally.

If you are placed in short term care and your benefits are claimed jointly, your contribution will be based on 50% of the joint income.

### What happens if I go into hospital?

If you are admitted to hospital from a long term residential or nursing home placement you will continue to be charged for your stay for up to eight weeks following your hospital admission. This is to ensure that your room at the residential or nursing home is available to you on discharge from hospital. If you remain in hospital for longer than eight weeks you should ask your care manager to review the situation.

### Can I give gifts of money to my family?

Once you realise that you are likely to need residential or nursing care, any gift of money or capital is likely to be considered as an attempt to reduce your assets, and your charges for care. There is an expectation that your assets should be kept to pay for your care services. However, the amount of the gift will be taken into account and each case would be considered separately.

If you want to give money as birthday or Christmas presents to family or close friends whilst you are in or considering care, you should seek advice from the Residential Finance Team first.

**How do I pay for my care?**

If you have asked Herefordshire Council for help, once your financial assessment has been completed the Council will tell you how much you will be expected to pay towards the cost of your care. This is called your client contribution.

We will let you know how to pay. Usually we will ask you to pay your client contribution to your residential or nursing home. Each home has its own arrangement for billing its residents for their care. Most residential and nursing homes will accept a standing order arrangement with your bank and some have direct debit facilities.

If you are in a short term (respite) placement or in a Shaw Healthcare placement you will

receive bills from Herefordshire Council for your client contribution. Details of how to pay will be on the back of the bill. We will tell you who to pay when we confirm your client contribution.

**What if I need help with my finances?**

If you rely on family or a close friend to manage your finances for you, you may want them to take responsibility for paying your care charges.

If this is the case we will need to know about these arrangements and whether responsibility to manage the finances has been taken under a legal arrangement such as Lasting Power of Attorney, Deputyship, or Appointee for benefits.

**What if I or my family is asked for a 'top up' payment by the home?**

Herefordshire Council will assess your needs and identify an available home to meet those

needs. You can choose to enter a home which is more expensive than the one identified by Herefordshire Council if a third party, for example a member of your family, agrees to pay the difference. This is called a third party top up. You cannot pay a third party top up yourself unless you have entered into a Deferred Payment Agreement with the Council (see Part 4 for

more information on Deferred Payment Agreements).

If you are already in a residential or nursing home that has been arranged by Herefordshire Council and the home approaches you for an additional payment or top up, please discuss with your care manager before signing any agreement.



## Part 4 - Property

### Will the value of my home be counted as capital?

This is a complicated area which causes a great deal of uncertainty and concern.

Generally the value of any property which you own or in which you have a share will be treated as a capital asset. How it is treated will depend first upon the type of care you are receiving.

- Respite (short term) residential or nursing care - if you own the property where you are living, the value will not be counted for any periods of temporary residential or nursing care you may have. Other property or land which you own or have a share in will be counted as capital.
- Permanent (long term) residential or nursing care - if you own or have a share in the property where you are

living and you have no other capital in excess of the current capital limit, the value of your home will not be counted as a capital asset until you have been a permanent resident for 12 weeks. If the property is sold within 12 weeks, then the value of your share will be counted as capital from the date of the sale.

However, the value of your normal home can be ignored if it is occupied by your partner; a relative who is aged over 60 or incapacitated; or a child under 16 for whom you are responsible.

Other property or land which you own or have a share in will be counted as capital from the date you enter residential care either on a long or short term basis.

### Deferring part of the charges

If the value of your property takes your capital assets above the current upper capital limit you will be assessed as being

able to pay the full cost of your residential or nursing care.

However, you may not be in a position to pay the full cost until you have sold the property. In this case you can apply to defer part of the charge until it is sold, like a long term loan.

This means that you will pay what we have assessed you can afford from your weekly income and savings, but you will only pay the balance of the charge when your property has been sold.

If we agree to defer the charges you will be asked to enter into a legal agreement called a Deferred Payment Agreement with Herefordshire Council.

Details of the outstanding balance will be sent to you on a regular basis.

### Placing a charge on the property

If we agree to enter into a Deferred Payment Agreement, Herefordshire Council will place

a 'legal charge' against the property in order to recover the deferred payment amounts when the property is sold.

### Disposal of capital or property

If you deliberately dispose of a capital asset such as shares, money or property, in order to reduce your charge for residential or nursing care, the Council can treat you as still having the asset and charge you accordingly.

The circumstances in each case are looked at individually and there is no time limit beyond which the disposal of the asset can be considered.

Herefordshire Council can explain the rules about property and capital, and how they may affect you, but you should get independent advice from another agency such as Age Concern or the Citizens Advice Bureau. You may also wish to contact a solicitor for advice.