

# Helping you pay for social care

## Deferred payment agreements



The Care Act 2014 aims to help make care and support more consistent across the country.

Care and support is the term used to describe the help some adults need to live as well as possible with any illness or disability they may have. It can include help with things like washing, dressing, eating, getting out and about and keeping in touch with family or friends. If you receive care and support or you support someone as a carer, you could benefit from a deferred payment agreement.

### **Choosing a deferred payment agreement**

A deferred payment agreement is an arrangement with the council that enables some residents to use the value of their home to pay for their care and support costs.

If you are eligible, we will help pay your care and support costs on your behalf, so you don't have to immediately sell your home to cover these costs. You can delay repaying us until you choose to sell your home or until after you have passed away.

We will charge a small amount of interest on the amount owed to us and a fee for setting up the arrangement. The fee only covers the council's administration costs and is non-profit making. Please take a look at our schedule of fees and charges enclosed within this leaflet for more details.



## Who can apply for a deferred payment?

In order to apply for a deferred payment, you must:

- Have savings and investments of less than £23,250 (not including the value of your home or pension fund)
- Be professionally assessed as requiring and be entering permanent residential / nursing care in a registered care home
- Own or have part legal ownership of your own home, which is not benefiting from a property disregard. Your home must also be registered with the Land Registry
- Have mental capacity to agree to a deferred payment or have a legally appointed agent willing to agree on your behalf

## Considering your options

A deferred payment agreement will not be suitable for everyone, for example if you're still living in your own home this will not be appropriate for you. There's also other ways to pay for your care.

You could choose to rent out your property and use the income to cover the full cost of your care. There are advantages to this as you will not accrue a debt, be liable for deferred payment interest or administration charges and your property will be occupied. Your tenant will also pay all utility and council tax costs, which will reduce your outgoings.

There are also various equity release schemes available, which may be suitable for your personal circumstances.

You could also choose to pay the full cost of your care from any available income and savings / assets or alternatively a family member may choose to pay some or all of the cost for you.

We highly recommend that you obtain independent financial and legal advice before deciding which course of action is best for your circumstances.



## Independent information and advice

SOLLA

**0333 202 0454**

[www.societyoflaterlifeadvisers.co.uk](http://www.societyoflaterlifeadvisers.co.uk)

Age UK

**0800 678 1174**

[www.ageuk.org.uk/money-matters](http://www.ageuk.org.uk/money-matters)

Money Advice Service

**0800 138 7777**

[www.moneyadvice.service.org.uk](http://www.moneyadvice.service.org.uk)

Unbiased

**0800 023 6868**

[www.unbiased.co.uk](http://www.unbiased.co.uk)

There's also additional information available on our website at [www.herefordshire.gov.uk/payingforcare](http://www.herefordshire.gov.uk/payingforcare)

## Applying for a deferred payment agreement

Please contact the council's Welfare and Financial Assessments Team:  01432 383444



[financialassessments@herefordshire.gov.uk](mailto:financialassessments@herefordshire.gov.uk)

If you would like help to understand this document or would like it in another format or language, please email

[financialassessments@herefordshire.gov.uk](mailto:financialassessments@herefordshire.gov.uk)

## Benefit information and advice

Pensions Credit or State Pension 0800 731 0469

Attendance Allowance 0800 731 0122

Disability Living Allowance 0800 121 4600

Personal Independence payments 0800 121 4433

Universal Credit 0800 328 5644

Housing or Council Tax Reduction 01432 260333

[benefits@herefordshire.gov.uk](mailto:benefits@herefordshire.gov.uk)

# Deferred payment agreements

## Schedule of fees and charges

### Administration fees

Payable upon application <sup>1</sup>	£310.00
Reduced fee where application refused	£35.00

<sup>1</sup> The administration fee can be included in the deferred payment agreement upon request but interest will be charged.

### Interest charges - compound interest calculated daily

<b>1 July 2025 – 31 December 2025</b>	<b>4.65%</b>
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### Previous Interest charges

<i>1 January 2025 - 30 June 2025</i>	4.25%
<i>1 July 2024 - 31 December 2024</i>	4.05%
<i>1 January 2024 - 30 June 2024</i>	4.65%
<i>1 July 2023 - 31 December 2023</i>	3.43%
<i>1 January 2023 - 30 June 2023</i>	3.18%
<i>1 July 2022 - 31 December 2022</i>	1.55%
<i>1 January 2022 - 30 June 2022</i>	0.95%
<i>1 July 2021 – 31 December 2021</i>	0.75%
<i>1 January 2021 to 30 June 2021</i>	0.45%
<i>1 July 2020 to 31 December 2020</i>	1.05%
<i>1 July 2019 - 30 June 2020</i>	1.45%
<i>1 January 2019 - 30 June 2019</i>	1.65%
<i>1 July 2018 - 31 December 2018</i>	1.85%
<i>1 January 2018 - 30 June 2018</i>	1.45%
<i>1 July 2017 - 31 December 2017</i>	1.65%
<i>1 January 2017 - 30 June 2017</i>	1.35%
<i>1 July 2016 - 31 December 2016</i>	1.85%
<i>1 January 2016 - 30 June 2016</i>	2.15%
<i>1 July 2015 - 31 December 2015</i>	2.25%
<i>1 April 2015 - 30 June 2015</i>	2.65%

