

Welfare

R I G H T S

B r i e f i n g N o t e

**FUNDING YOUR
PERMANENT RESIDENTIAL
AND NURSING CARE**

**A GUIDE FOR PEOPLE WHO ARE
IN, OR ENTERING, PERMANENT
RESIDENTIAL OR NURSING CARE
ON A SELF FUNDING BASIS**

The information contained in this booklet is intended to make you aware of some of the complex benefit issues that arise when you enter permanent residential or nursing care. It is not a statement of the law on these issues. Every effort has been made to compile this booklet using information which is up to date at the time of publication. Leicestershire County Council however cannot accept responsibility for any loss arising from the use of the information contained in this guidance or any omissions therein.

You are advised to seek independent advice if you believe that any of the information in this booklet might be relevant in your particular situation, as well as discussing the issues with your Adults and Communities Department Worker.

This booklet is available in other languages. If you would like a translated copy please contact Dennis Stenson, Welfare Rights Training/Information Officer, Tel: 0116 2787111.

The Adults and Communities Department is constantly working to improve its services. If you would like to make a comment, suggestion or complaint, please contact:

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INTRODUCTION

The decision to move into a care home can often be a difficult one to make. Before you make this decision it is important to ensure that this is the right type of care for you and to establish whether you can get any financial help with the cost of this care.

Before the Adults and Communities Department can consider assisting with funding the cost of a care home placement, it has to assess your needs to ensure that you require this type of care. In these circumstances the Adults and Communities Department has to comply with two main pieces of legislation: the National Assistance Act 1948 and the National Health Service and Community Care Act 1990. Even if you can afford to pay the care fees out of your own resources, it is advisable to have your needs assessed by the Adults and Communities Department. You may be able to afford the care homes fees at present but if it is likely that you may need financial assistance in the future then it is very important to be sure that the Adults and Communities Department has agreed that you need the type of care which you are planning. It is also important to remember that your care needs may change over the course of time.

If the Adults and Communities Department decides that you do need to enter a care home (this is sometimes referred to as 'meeting the eligibility criteria') then you should consider making an application for assistance with the funding of your placement. In order to do this it is usually necessary to complete a form which requires information regarding your financial circumstances. Once this is completed, a decision will be made as to whether funding is available to you and, if it is, how much you will have to contribute. It will also be decided whether or not this funding is, in certain circumstances, either time limited or refundable to the Adults and Communities Department. This decision or charging assessment is made using various provisions of the National Assistance Act 1948 and by following guidance laid down by the Department of Health and in particular with reference to the Charging for Residential Accommodation Guide which is updated periodically. The charging assessment is normally reviewed annually but can be reviewed at any time if there is a change in your financial circumstances.

This booklet is designed to guide you through the funding options available through the benefits system, the Adults and Communities Department and the National Health Service so you can choose the route best suited to your own circumstances.

If you are unable to make your own arrangements and have no one to do this on your behalf, the Adults and Communities Department will do this for you.

Frequently Asked Questions

1. *Question*

What should I do first if I am thinking about moving into residential care?

Answer

Start by contacting your local the Adults and Communities Department office and seek advice on both the eligibility criteria and the financial assessment. See **page 30**.

2. *Question*

Do I have to pay for residential care?

Answer

Yes

Nearly everyone has to pay a contribution towards the cost of living in a care home. The amount depends on their individual financial circumstances. In some circumstances health care can be arranged, provided and paid for by the NHS. See **page 20**.

3. *Question*

Do I have to sell my property?

Answer

No

The Adults and Communities Department will usually take into account the value of your house, but may be able to ignore this in certain circumstances. See **Page 18**.

If the value of your house cannot be ignored then you can apply to the Adults and Communities Department for the deferred payment scheme where the value of the property can be deferred from the financial assessment during your lifetime. See **page 28**.

4. *Question*

What happens to my benefits when I go into care?

Answer

Depending on how your care is funded your benefits may go down. You will need to contact the Department for Work and Pensions and notify them of your change of circumstance. See **page 31**.

5. *Question*

Who is responsible for regulating care homes?

Answer

Care homes in England are registered and inspected by the Commission for Social Care Inspection. See **page 33**.

6. *Question*

Can I gift my assets?

Answer

Under the “Deprivation of Assets” rules, the Adults and Communities Department may decide that you have given away your assets to lessen your liability for charges and therefore treat you as if you still possess those assets.

The options open to you normally depend upon one or more of the following:

- **The type of care home you move to.**
If you are going into a nursing home, see **Section D on page 20.**
- **How much you have in capital.**
This includes savings, money in a bank or building society, shares and unit trusts or a property in which you do not normally live. If your capital is owned jointly with someone else, you should seek advice as to how it will be treated by the Adults and Communities Department and the Department for Work and Pensions (formerly the Benefits Agency).
- **Whether you own (or jointly own) the home you used to live in before entering permanent care.**
- **Whether anyone remains living in the home you used to live in.**
- **How much income you have.**
This includes income from occupational pensions, annuities and most state benefits. The Adults and Communities Department will need to complete a full financial assessment of both your income and capital in order to determine whether you may qualify for The Adults and Communities Department funding. Please note that if your income is too high you may not qualify for help.
- **The amount and type of care and attention you need.**
If appropriate a Community Care Assessment by The Adults and Communities Department will help decide the type and level of care and attention you need and can give an indication of how much this will cost. The Directory of Registered Care Homes, also available from the Adults and Communities Department, provides a list of all independent, voluntary and local authority homes, together with a description of the type and level of care offered.

You may find it useful to assess your current financial position, decide which of the following categories best describes your own situation and then read the relevant section of this booklet.

First choose the statement below which best describes your current financial circumstances, then read the section as directed:

- **You own your own home and have savings or other capital of less than £23,250**

⇒ Read **Section A** on page 7

- You have savings or other capital of over £23,250 (excluding the value of your home if you own it)

⇒ Read **Section B** on page 15

In addition, you may also find it useful to read the additional information provided on the topics below:

Treatment of property and certain income and capital

⇒ Read **Section C** on page 18

Registered Nursing Care Contribution

⇒ Read **Section D** on page 20

Social Security benefits

⇒ Read **Section E** on page 22

Third Party payments

⇒ Read **Section F** on page 27

Deferred Payments

⇒ Read **Section G** on page 28

Useful contacts

⇒ Read **Section J** on page 33

NOTE:

Unless otherwise specified the term "care home" in this booklet refers to both residential care and nursing homes. Certain sections in this booklet specifically refer to nursing homes only, but this will be made clear as appropriate.

SECTION A

You own your own home and have savings under £23,250

This Section applies to you if:

- You own your own home, and its value cannot be permanently disregarded (see Section C on page 18 for further information about this)

AND

- Your total savings and other capital, excluding the value of your home, are worth £23,250 or less.

This section is divided into three separate parts:

Part 1 outlines the special rules which apply during the first 12 weeks of your permanent stay. These rules are aimed at giving you a “breathing space” before making important decisions about how best to pay for your care.

Part 2 outlines the funding options after you have been in a care home on a permanent basis for 12 weeks or more if you are over 60 and your savings and other capital, excluding the value of the home you used to live in, are under £23,250.

Part 3 outlines the funding options after you have been in a care home on a permanent basis for 12 weeks or more if you are under 60 and your savings and other capital, excluding the value of the home you used to live in, are under £23,250

SECTION A: Part 1

Funding during the first 12 weeks

The rules in this Section apply during the first 12 weeks of a permanent stay in a care home. This stay may follow on from a temporary stay or a series of temporary stays.

What Help Is Available?

- Help from the Adults and Communities Department

Financial support from the Adults and Communities Department can only be provided following a Community Care Assessment which will determine how much and what type of care you need. You should contact your local Adults and Communities Department office to arrange for a Community Care

Assessment to take place (see **Section J on page 33**). The amount you will be expected to pay towards the cost of your care is calculated using a nationally determined formula. The Adults and Communities Department should ensure that you are left with at least £22.30 per week to meet your personal expenses i.e. for items not provided by the home. You are also left with enough money to cover expenses to maintain the property you own such as water rates, insurance and fuel charge. However, if you have savings over £14,250 you will be considered to have "tariff income" which can be treated as income available to meet your assessed contribution. Please read **Section E on page 22**.

For the first 12 weeks after you enter a care home on a permanent basis you are entitled to have the value of your home ignored when assessing how much you should pay for your care. The 12 week period begins on the day that the Adults and Communities Department contracts with the care home. This means that if you are living in a care home on a self-funding basis and then later require financial support the 12 week period will begin when The Adults and Communities Department starts to provide this support. The disregard will end if the property is sold within the 12 week period.

If you can take advantage of this 12 week disregard rule The Adults and Communities Department will meet part of your fees during this period and this money will not have to be repaid.

➤ **Help from the Department for Work and Pensions**

Payment of Attendance Allowance or Disability Living Allowance care component (see **Section E on page 22**) should stop after you have been in a care home for four weeks if the Adults and Communities Department are assisting you financially. This may happen earlier if you have had recent stays in hospital.

If you are over 60 you may be able to claim Pension Credit depending on your income and capital from the start of your permanent stay in a care home. This will usually depend on you taking steps to sell your home at the outset (See **Section E on page 23**).

If you are under 60 and have under £16,000 you may be able to claim Income Support (see **Section E on page 23**) from the start of your permanent stay in a care home, but usually only if you take steps to sell your home at the outset.

Please note that you are not required to make any decisions regarding the sale of your property in the first 12 weeks. However once you start to take reasonable steps to sell your property, you would be expected to claim any Income Support or Employment and Support Allowance you may be entitled to and this amount would be included in your assessed charge. If you are over 65 and you receive some Savings Credit as part of your Pension Credit, you will personally benefit from making this claim (see **Section E on page 23**).

Example of assessed charge.

Mr Smith is 80. He is assessed as needing residential care costing £341 (the local authority “banded rate”).

Mr Smith’s income is:

State Retirement Pension:	£97.00
Occupational Pension:	£10.00
Attendance Allowance:	<u>£71.40</u>
	<u>£178.40</u>

The expenses to maintain the property are :	£15.00
The Personal Expenses Allowance is:	<u>£22.30</u>
Total expenses:	<u>£37.30</u>

The assessed charge in the first 4 weeks is £178.40 minus £37.30 i.e. £141.10.

After 4 weeks Attendance Allowance is not payable so Mr Smith’s income reduces to £107.00. The assessed charge in weeks 4 to 12 is therefore adjusted to £107.00 minus £37.30 i.e. £69.70.

➤ Help from the National Health Service

If you are receiving nursing as opposed to residential care, please read **Section D on page 20.**

➤ Other Help Available

If you are permanently resident in a care home and the property you previously lived in is now unoccupied, you do not have to pay Council Tax on this property. If you were in hospital immediately before entering permanent care, exemption from Council Tax should start from the date you went into hospital. You need to contact the council to which you paid Council Tax and inform them of your new circumstances to ensure you are not charged.

➤ Help Available In The Future

One of the advantages of the 12 week property disregard rule is that you can use the 12 week period to take advice and decide how you are going to pay for the cost of your care in the future.

In order to decide how best to fund the cost of your care after the 12 week period, you need to consider which of the following scenarios describes your situation:

1. If you are over 60 and your savings and other capital (excluding the value of the home you used to live in) are under £23,250, please read **Section A, Part 2 on page 10.**

2. If you are under 60 and your savings and other capital (excluding the value of the home you used to live in) are under £23,250, please read **Section A, Part 3 on page 13**.
3. If you have sold your home, and your savings and other capital are over £23,250, please read **Section B on page 15**.

SECTION A: Part 2

Funding after 12 weeks (aged over 60 and savings under £23,250)

The options below apply if you are aged over 60 and you have been in a care home for 12 weeks or more and your savings and other capital (excluding the value of your home) are less than £23,250.

What Help Is Available?

➤ **Help from The Adults and Communities Department**

Financial support from the Adults and Communities Department can only be provided following a Community Care Assessment which will decide how much and what type of care you need. You should contact your local Adults and Communities Department office to arrange for a Community Care Assessment to take place (see **Section J on page 33**). The amount you will be expected to pay towards the cost of your care is calculated using a set national formula. The Adults and Communities Department should ensure that you are left with at least £22.30 per week to meet your personal expenses. However, if you have savings over £14,250 you will be considered to have "tariff income". Please read **Section E on page 22**.

If you own your own home, you may ask to continue to receive financial assistance from the Adults and Communities Department under a Deferred Payment Arrangement (see **Section G on page 28**).

Please note that after the 12 week property disregard period any contribution from the Adults and Communities Department towards your fees will have to be repaid once your home is sold or you decide to end the arrangement. However you will not be required to sell your home within your lifetime if you do not wish to, nor will the total money recovered by the Adults and Communities Department leave you with savings below the lower capital limit, currently £14,250.

➤ **Help from the National Health Service**

If you are receiving nursing as opposed to residential care, please read **Section D on page 20**.

➤ Help from the Department for Work and Pensions

If you are aged 60 – 65 you may be able to claim Disability Living Allowance and the Guarantee Credit element of Pension Credit. If you are aged over 65 you may be able to claim Attendance Allowance and both the Guarantee and Savings Credit elements of Pension Credit. Please note that women born between 5 April 1950 and 6 April 1955 will be able to claim State Pension between age 60 and 65. In the same way this new legislation affects the earliest age at which both women and men will be able to claim Pension Credit.

Deferred Payment Arrangement examples of funding

Mr Smith, aged 80, owns his home valued at £120,000. He has been assessed as needing Residential Care and the care home is charging £341 per week. He has expenses in connection with maintaining the property e.g. water rates and insurance payments totalling £15.00 per week. This amount, with his personal expenses allowance of £22.30 totals £37.30.

Mr Smith's weekly income is as follows:

State Retirement Pension	£100.00
Occupational Pension	£10.00
Attendance Allowance	<u>£71.40</u>
Total Weekly Income	<u>£181.40</u>

1. Charging Assessment – Property not for sale

Weekly Income	£181.40
Minus Expenses	- £ 37.30
Charge	<u>£144.10</u>

In this example Mr Smith will have to repay the Adults and Communities Department £196.90 (£341- £144.10) for each week of the deferred payment arrangement.

2. Charging Assessment – Property for sale

Mr Smith's weekly income will be:

State Retirement Pension	£100.00
Occupational Pension	£10.00
Attendance Allowance	£71.40
Pension Credit (Guarantee Credit)	£76.25
Pension Credit (Savings Credit)	<u>£6.96</u>
Total Income	£264.61
Minus Expenses	- £37.30
Minus savings disregard	- <u>£5.75</u>
Charge	<u>£221.56</u>

In this example Mr Smith will have to repay the Adults and Communities Department £119.44 (£341- £221.56) for each week of the deferred payment arrangement.

Savings disregard Up to £5.75 per week of the Savings Credit paid is disregarded. In Mr Smith's case, the Savings Credit element is £6.60 so he is able to benefit from the full £5.75 disregard.

See also **Section E on page 22** which gives more information about claiming Social Security benefits.

Important Notes About Self-Funding

- ◆ If Attendance Allowance or Disability Living Allowance Care Component and Pension Credit are not already in payment, there may be a delay before these benefits are awarded. However, payment will usually be backdated to the day you first claimed. You will find that while you are waiting for benefits to be awarded you have a much lower income with which to fund your care. If you do not already receive either of these benefits, please seek advice about making a claim as this can be quite complicated (see **Section J on page 33**).
- ◆ The Department for Work and Pensions should ignore the value of your home provided that they accept that you are taking reasonable steps to sell it.
- ◆ The previous example assumes that the care home will charge Mr. Smith the same amount for his care whether he receives financial assistance from the Adults and Communities Department or he pays for the full cost himself. In practice many homes expect a higher level of fees from residents who self fund.

➤ Help from the National Health Service

If you are receiving nursing as opposed to residential care, please also read **Section D on page 20**.

➤ Other Help Available

If you are permanently resident in a care home and the property you previously lived in is now unoccupied, you do not have to pay Council Tax on this property. If you were in hospital immediately before entering permanent care, exemption from Council Tax should start from the date you went into hospital. You need to contact the council to which you paid Council Tax and inform them of your new circumstances to ensure you are not charged.

Help Available in the Future

If you sell the home you used to live in and your capital is over £23,250 go to Section B on page 15.

SECTION A: Part 3

Funding after 12 weeks (aged under 60 and savings under £23,250)

The options below apply if you are aged under 60 and have been in a care home for 12 weeks or more and your savings and other capital, excluding the value of your home are under £23,250.

What Help Is Available?

➤ **Help from the Adults and Communities Department**

Financial support from the Adults and Communities Department can only be provided following a Community Care Assessment which will determine how much and what type of care you need. You should contact your local Adults and Communities Department office to arrange this (see **Section I on page 33**). However, you will be expected to contribute towards the cost of your care. The amount you will have to pay is calculated using a set national formula. The Adults and Communities Department should ensure that you are left with at least £22.30 per week to meet your personal expenses and expenses to maintain the property. However, if you have savings over £14,250 you will be considered to have “tariff income”. Please read **Section E on page 22**.

If you own your own home, you may ask to continue to receive financial assistance from the Adults and Communities Department under a Deferred Payment Arrangement (see **Section G on page 28**). Please note that after 12 weeks any contribution from the Adults and Communities Department towards your fees will have to be repaid once your home is sold or you decide to end the arrangement. However you will not be required to sell your home within your lifetime if you do not wish to, nor will the total money recovered by the Adults and Communities Department leave you with savings below the lower capital limit which is currently £14,250.

➤ **Help from the Department for Work and Pensions**

If you have savings under £16,000 (note: the Department for Work and Pensions uses a different capital limit from the Adults and Communities Department) you may be entitled to Employment and Support Allowance or Income Support (see **Section E on page 22**). You will be able to receive certain benefits including Incapacity Benefit, Severe Disablement Allowance, and Disability Living Allowance, as these are not means tested. If you were in hospital before entering care you should check that the Department for Work and Pensions is paying your full entitlement, as Disability Living Allowance is suspended after four weeks.

If you are not already receiving Disability Living Allowance you should consider claiming immediately (see **Section E on page 22**).

➤ Help from the National Health Service

If you are receiving nursing as opposed to residential care, please read **Section D on page 20.**

➤ Other Help Available

If you are permanently resident in a care home and the property you previously lived in is now unoccupied, you do not have to pay Council Tax on this property. If you were in hospital immediately before entering permanent care, exemption from Council Tax should start from the date you went into hospital. You need to contact the council to which you paid Council Tax and inform them of your new circumstances to ensure you are not charged.

If you sell your home and your savings and other capital are worth over £23,250 please read Section B on page 15.

SECTION B

You have savings over £23,250

This section applies to you if:

- **you are entering a care home and have savings or other capital of over £23,250 excluding the value of your home, if you own it.**

If you are able to make your own arrangements to go into permanent care, or can do this with help from a relative or friend, you will be expected to do so. This will involve finding a vacancy in an appropriate care home and entering into a private contract with the home to provide the level of care you need and then meeting the agreed costs.

What Help Is Available?

➤ **Help from The Adults and Communities Department**

You are not entitled to any financial assistance from the Adults and Communities Department if you have savings over £23,250. However, you can ask The Adults and Communities Department for a full assessment of need. This assessment advises you of your level of need, eligibility for services, potential banding level, and the registration category of the homes that could appropriately meet your needs. This information enables you to establish how much the Adults and Communities Department would usually pay for the type and amount of care for someone with your needs. This will be particularly important if you need to approach the Adults and Communities Department for funding in the future should your savings reduce to the upper capital limit of £23,250. You will also be given a copy of the Directory of Care Providers which lists the care homes in the local area.

Help from the Department for Work and Pensions

You will be able to receive non means-tested benefits including State Retirement Pension, Incapacity Benefit, Severe Disablement Allowance, Attendance Allowance and Disability Living Allowance. If you were in hospital before entering care you should check that the Department for Work and Pensions are paying your full entitlement, as Attendance Allowance and Disability Living Allowance are suspended after 4 weeks.

If you are under 60 you will not be entitled to Income Support if your savings are over £16,000. If you are over 60 you may retain entitlement to Pension Credit if you have savings over £23,250. The amount you get will depend on the level of your income and savings. (See **Section E on page 22**).

It is possible to receive Pension Credit if you have savings considerably in excess of £23,250. See the example below.

Mrs Mistry is aged 78, self-funding and a permanent resident. She has a State Pension of £104, Attendance Allowance of £71.40 and savings of £50,000. Mrs Mistry is entitled to the savings element of the Pension Credit. Her new income is as follows:

State Retirement Pension	£104.00
Attendance Allowance	£ 71.40
Savings Credit	<u>£20.52</u>
Total	£195.92

This example demonstrates entitlement to benefit even though the claimant has substantial savings.

If you are not already receiving Attendance Allowance or Disability Living Allowance, you should consider claiming one of these benefits immediately. (See **Section E on page 22**). Assistance with claiming these benefits is available from Residential Care Advisors in the Adults and Communities Department. Ask your social worker to make a referral or contact your local Adults and Communities office if you don't have a social worker. (See **Section J on page 33**).

➤ Help from the National Health Service

If you are receiving nursing as opposed to residential care, please read **Section D on page 20**.

➤ Other Help Available

If you are permanently resident in a care home and the home you previously lived in is now unoccupied, you do not have to pay Council Tax. If you were in hospital immediately before entering permanent care, exemption from Council Tax should start from the date you went into hospital. You need to contact the council to which you paid Council Tax and inform them of your new circumstances to ensure you are not charged.

➤ Help Available in the Future

Unless you have a relatively high income, you may find that you have to use your savings and other capital to help pay for the cost of your care. As a result you may find that your capital starts to approach £23,250.

Make sure you know how the Adults and Communities Department will assess your capital, particularly if you own property. There are circumstances in which the value of the home you used to live in is disregarded or its full value is not taken into account in the financial assessment process. (See **Section C on page 18** for further information.)

If your savings fall to £23,250 and you still own your own home you should read **Section G on page 28** which gives details regarding the Deferred Payment Arrangement.

It is important to approach your local Adults and Communities Department office (see **Section J on page 33** for details) and request financial assistance before your capital reaches £23,250. This will ensure you receive all the help to which you are entitled. Remember that the amount of financial help you can get is affected by the outcome of a Community Care Assessment which will decide the level and type of care you need and the amount The Adults and Communities Department would normally pay for that care. You may not be entitled to help if your income is high, please seek advice if you think this might apply to you (see **Section J on page 33**).

SECTION C

Treatment of Property and Certain Income and Capital

Will the value of your home be taken into account when assessing how much you pay for your care?

In certain circumstances the value of your home may be ignored by both the Department for Work and Pensions and the Adults and Communities Department after you have moved into permanent care. This 'disregard' will apply if any of the following people continue to live in your former home:

- your husband, wife or partner (including a civil partner)
- a relative over 60
- a relative who is "incapacitated" (sick or disabled)
- a relative who is under 16 and whom you are liable to maintain

In addition the Adults and Communities Department (but not the Department for Work and Pensions) has the discretion to ignore the value of your home when someone else, for example a long-term carer, remains living there.

If the value of your home is ignored because someone else is living there and that person moves out or dies, then the value of the property will normally be taken into account.

It is also worth noting that if you jointly own your own home with a person who does not fall into one of the above categories, then the market value of your share will be taken into account.

Do you have a partner and an occupational pension?

If you are one of a married couple or civil partnership and enter permanent care you can choose to give 50% of any occupational pension, personal pension or payment from a retirement annuity to your partner. If you choose to do this the Adults and Communities Department (but not the Department for Work and Pensions) have a duty to disregard this money when assessing your income. Payments of less than 50% will not be treated in this way. In the case of couples who are unmarried the Adults and Communities Department may use its discretion to achieve the same effect.

Whether or not you and your partner will be better off by taking advantage of this disregard depends upon individual circumstances and you should therefore both seek further advice before making these arrangements. For example, it may be that giving 50% of an occupational pension to your partner may remove their entitlement to means-tested benefits, such as Pension Credit, Income Support, Housing or Council Tax Benefit, which could make them worse off.

You are advised to seek further and more detailed advice before deciding to hand over 50% of any occupational pension in this way.

Will the Adults and Communities Department take all your income and capital into account when assessing how much you pay for your care?

The Adults and Communities Department will always ignore Disability Living Allowance mobility component and the first £10 per week of most War Pensions. In addition, The Adults and Communities Department may disregard the value of life assurance policies, however any income they produce will be taken into account.

This is a complex area so please ask for further advice if you are unsure about your financial position (see **Section J on page 33**).

SECTION D

Registered Nursing Care Contribution

- Help available from the National Health Service (NHS) towards the cost of nursing care fees. This is also known as RNCC.

(The following rules apply to residents in England only; Scotland and Wales have different rules.)

What Help Will Be Available?

The Adults and Communities Department are not responsible for arranging or funding the nursing element of care for permanent residents in nursing homes. The Adults and Communities Department will still be able to arrange and fund accommodation and personal care costs. However, residents will still have to make a financial contribution towards any part of their care, other than nursing care, or pay the full cost of their accommodation and personal care if they have the resources.

Nursing care in this context means care by a registered nurse in providing, planning and supervising your care in a nursing home. This includes the time spent by a nurse in supervising or monitoring the care you get from other members of staff.

Residents in residential care homes cannot benefit from the Registered Nursing Care Contribution as the community nursing service will usually provide nursing care directly. You will not need to pay for your nursing care, but you may need to be assessed to make sure that your care can continue to be provided in your residential care home.

How Much Help Will Be Allowed?

Residents who enter nursing care now receive a flat rate payment of £108.70 per week. Residents who had entered nursing care before 1 October 2007 and were receiving the highest of the three previous bands of nursing care payment (£149.60) will continue to receive this. A continence payment of £5.80 can also be paid.

If you are planning to enter nursing care on a self-funding basis in the future you may wish to contact your local Health Authority and ask for an assessment (referred to as a 'determination') before making a firm decision. The reason for this is that the Health Authority may decide that your care needs can be met in a setting other than a nursing home. Ask the prospective nursing home for details of the Health Authority contact for their area.

How Will Payments be Made?

Once the Health Authority has undertaken a determination of your nursing care needs, you will be notified of the outcome. If it is decided that you meet

the Health Authority's criteria for receiving nursing care then the relevant sum, according to which banding level applies, will be paid directly to your nursing home. If you are paying for the full cost of your care, you will then need to contact the manager or owner of the home to arrange a reduction in your fees. If The Adults and Communities Department are paying towards the cost of your care, the Registered Nursing Care Contribution will not affect your contribution.

If for any reason you decide that you do not want to receive help from the National Health Service, you can opt out although this will obviously have an adverse affect on your financial circumstances.

Reviews

Anyone entering a nursing home should have their nursing needs reviewed within three months and again after 12 months or whenever there is a significant change in your health. Your nursing home should arrange this review for you. However, you should always receive the nursing care that you need, even if it takes some time for the Health Authority to reconsider your needs.

NHS Funded Continuing Care

In some circumstances if you have high levels of nursing care needs, you may be eligible for 100% NHS funding. Although it is the responsibility of the NHS to assess whether a person is eligible, your local Adults and Communities Department office (See **Section J on page 33**) can advise you about this type of funding and how to arrange an assessment.

SECTION E

Social Security Benefits

Social Security benefits need to be claimed from the Department for Work and Pensions in good time to ensure that you receive your full entitlement. Please see **Section J on page 33** of this booklet which provides useful contact addresses and telephone numbers for the Department for Work and Pensions.

- **Attendance Allowance and Disability Living Allowance**

Attendance Allowance (for those over 65) or Disability Living Allowance (for those under 65) can be claimed, regardless of income or savings. These benefits are for people who need help with their personal care during the day and/or the night or if they need supervision to avoid common dangers. In addition Disability Living Allowance (but not Attendance Allowance) also provides assistance for people who have mobility problems. In order to claim you should telephone the Attendance Allowance/Disability Living Allowance Helpline on 08457 123456 or the Benefits Enquiry Line on 0800 882200. Claim forms can also be obtained from your local Adults and Communities Department Office.

Payment of Attendance Allowance and Disability Living Allowance should stop after you have been in hospital for four weeks. Attendance Allowance and Disability Living Allowance care component, but not the mobility component, will also stop after you have been in permanent care for four weeks, or possibly earlier if you have had recent stays in hospital. However this is not the case if you will be funding the full cost of your care either now or under a Deferred Payment Arrangement, in which case you will need to ask for your benefit to be re-instated. This can be a very complicated area and you should seek further detailed advice about this. You are advised to contact both the local Department for Work and Pensions and also the Disability Benefits Unit at Blackpool to inform them that you have gone into a care home. A decision will then be made regarding whether you are entitled to further payments of benefit (see **Section I on page 31** for addresses).

Please note, you must have needed care or supervision for six months before Attendance Allowance can be paid. For Disability Living Allowance, the qualifying period is three months. You also must be able to show that your care or supervision needs will last for at least the next six months.

If you are already receiving Attendance Allowance or Disability Living Allowance care component at the lower rate you may feel that you now qualify for the higher rate because you have both day and night-time care needs. If this is the case, you should register a review of your entitlement with the Attendance Allowance/Disability Living Allowance Helpline on 08457 123456. You can ask your Social Worker to refer you to the Adults

and Communities Department Residential Care Advisor if you would like help with this.

You could use the proforma letter on page 25 to request the high rate of Disability Living Allowance care component or Attendance Allowance or to request re-instatement of these benefits.

Absences from your care home can affect your entitlement to benefits so please seek advice if this happens to you.

For further information on these benefits, please ask the Adults and Communities Department for one of our Briefing Notes or phone our Welfare Rights Advice Line (see **Section J on page 33**).

- **Pension Credit (for people over 60)**

To claim Pension Credit you should contact the Customer Contact Centre on 0800 991234 by telephone. They can assist you with making a claim by phone.

You can also obtain a Pension Credit claim form from your local The Adults and Communities Department Office. Any claims for Pension Credit can be backdated for up to 3 months.

You will need to provide proof of your income, savings and any other capital. As a resident in permanent care any savings you have over £10,000 will be assessed as providing a weekly notional or 'tariff income' of £1 per week for every extra £500 you own. Capital will normally include the value of your former home (see **Section C on page 18**) unless you can show that you are taking reasonable steps to sell it.

If you are receiving financial assistance from The Adults and Communities Department a tariff income of £1.00 for every £250 will be applied to your savings and other capital, however the Adults and Communities Department tariff income starts at £14,250 and savings of over £23,250 prevent you from receiving any financial assistance.

Pension Credit is made up of two parts: - Guarantee Credit and Savings Credit. Guarantee Credit is paid to people over 60 whose income is below set amounts. Savings Credit is available to people over 65 who have income above £98.40 (single person rate).

Please note that women born between 5 April 1950 and 6 April 1955 will be able to claim State Pension between age 60 and 65. In the same way this new legislation affects the earliest age at which both women and men will be able to claim Pension Credit.

- **Income Support (for people under 60)**

To claim Income Support you should contact the JobCentre Plus Contact Centre on 0800 055 66 88. If you are invited to attend a work-focussed interview, you should ask for this requirement to be waived, because of your health problems and the fact that you are living in residential care. If you experience any difficulties with this or any other aspects of your claim you should ask your Social Worker to refer you to the Adults and Communities Department Residential Care Advisor for assistance.

You will need to provide proof of your income, savings and any other capital. As a resident in permanent care any savings you have over £10,000 will be assessed as providing a weekly notional or “tariff income” of £1.00 per week for every extra £250 you own. If your savings and other capital are more than £16,000, you cannot receive Income Support. Capital will normally include the value of your former home (See **Section C on page 18**) unless you can show that you are taking reasonable steps to sell it.

If you are receiving financial assistance from the Adults and Communities Department a similar tariff income will be applied to your savings and other capital, however the Adults and Communities Department tariff income starts at £14,250 and savings of over £23,250 prevent you from receiving any financial assistance.

Since 30 December 2009 it has no longer been possible to claim Income Support on the grounds of incapacity for work. You will need to claim Employment and Support Allowance instead. Employment and Support Allowance is the new benefit paid to people under pensionable age whose ability to work is limited by ill health or disability. Employment and Support Allowance has replaced both Incapacity Benefit and Income Support paid on the grounds of incapacity. If you require any further information regarding Employment and Support Allowance, please ask your local Adults and Communities Department for a copy of ‘Employment and Support Allowance – a basic guide’.

Attendance Allowance/Disability Living Allowance (delete as appropriate)
Warbreck House
Warbreck Hill Road
Blackpool
FY2 0YE

Dear Sir /Madam,

Re:

N.I. No: _____

The above claimant entered residential care on _____.

Please can you award the high rate of the allowance (if this is not already in place) as help is needed at night .

Please can you re-instate payment of the allowance from _____ as the resident is "self-funding" from that date.

Yours faithfully,

Name _____

Address _____

Contact telephone number :

Status in which I act (appointee etc) :

SECTION F

Third Party Payments

A Community Care Assessment will establish the type and amount of care and attention you need. If, following this assessment, the Adults and Communities Department provide you with financial assistance, this will be limited to the amount that the Adults and Communities Department would normally expect to pay to meet your needs. If the care home's fees are more than this, you will need to identify a "third party" (for example a relative) who is able and willing to pay the difference. This is sometimes called "topping up". Alternatively you will need to try to negotiate with the home to allow you to remain there at a lower charge.

In addition, some residents can pay the difference between the Adults and Communities Department funding and the full cost of the home out of their own savings or income, if this arrangement appears viable in the long term. However, this only applies to residents who are either:

- taking advantage of the 12 week property disregard period (see **Section A, Part 1 on page 7**)

or

- entering into a Deferred Payment Arrangement with the Adults and Communities Department (see **Section G on page 28**).

The rules regarding these arrangements are complicated and therefore you are advised to seek expert advice before entering any contract with a care home that involves "topping up" or a "third party payment" (see **Section J on page 33**).

If you do not receive financial help from the Adults and Communities Department, you can agree to meet any level of fees charged. However, you will need to consider how long you can afford to do this and also be aware that any future request for funding from the Adults and Communities Department may be limited to the amount that the Adults and Communities Department would normally expect to pay for somebody with your level of care needs. If the care home will not accept the Adults and Communities Department rate for your care needs when you access the Adults and Communities Department funding you may have to move to another care home that will.

Please note, even where it is agreed that a resident can "top up" to meet their full fees the Adults and Communities Department cannot guarantee to cover all or part of any increase in charges a care home may decide to impose.

SECTION G

Deferred Payments

- Further help available from the Adults and Communities Department with charges for residential accommodation for people who do not wish, or are unable, to sell their former home.

After the 12 week property disregard period has ended (see **Section A, Part 2 on page 10 or Part 3 on page 13**, the value of your home (or your share of it) will be taken into account (see **Section C on page 18** for exceptions).

However, you may find that you are in the difficult position of not being able to meet the full cost of your care out of your own income and savings. At this point many people decide to sell their home, but if you do not want to, or are unable to do this quickly enough, the Adults and Communities Department may be able to help.

Under the Deferred Payment Arrangement the Adults and Communities Department can postpone making you pay part of your assessed charge so you will not be forced to sell your home. However, you will still be required to make a contribution, based upon your income and other capital, towards your fees. You, or your estate, will only have to refund the postponed charges when you sell your home, leave residential care, or decide to end the arrangement for any other reason. A legal charge will therefore be secured against your property, giving the Adults and Communities Department the right to reclaim this money. The Adults and Communities Department will not charge interest while payments are being deferred, although reasonable interest may be added if there is a delay in repaying the money once your home is sold or you end this agreement. In the unfortunate event of a resident dying during a period of Deferred Payment, interest may be charged 56 days after the date of death.

Most residents will be able to take advantage of the scheme whether they are in an independent home or one run by the Local Authority. However the Adults and Communities Department have discretion over whether or not to agree to this in individual cases. If there is a mortgage outstanding on a property, a Deferred Payment may only be agreed if the resident can continue to make mortgage payments at the same time as contributing to their care costs. The Adults and Communities Department may also turn down a request on the grounds that it has limited funding for the Deferred Payment Arrangement and may have other priorities. In the event that your request is refused, you will be given written reasons and the right to complain. If the Adults and Communities Department do not agree to a Deferred Payment Arrangement, it may be possible to arrange a bridging loan until your property is sold. Please seek further advice if you find that this has happened to you.

If the Adults and Communities Department agree to defer payments for your care you are strongly advised to seek independent financial advice before the arrangements are finalised. An agreement between you (or your representative) and the Adults and Communities Department will be put in writing and signed by all parties. You will also have to sign a legal charge on

your property. Please obtain a valuation of your property. You should in particular check your entitlement to Pension Credit or Income Support and Attendance Allowance or Disability Living Allowance.

Please note that it may be possible to rent out your property rather than sell it. If you do this you may wish to use the rental income to pay towards the cost of your care and therefore reduce the eventual debt owing to the Adults and Communities Department, however you are not obliged to do so.

If your property is to remain empty for any period you should consider issues regarding security, insurance and maintenance. The Adults and Communities Department may allow you to retain part of your income temporarily to enable you to maintain your property, you should however be aware that this will increase the amount you will eventually have to repay.

If you wish to enter a home that is more expensive than the amount that the Adults and Communities Department has agreed to pay, you can arrange for yourself or a member of your family to pay the difference or ask the Adults and Communities Department to pay this and add it to the amount to be repaid eventually from the sale of your property. You can defer your Third Party contribution from the start of your permanent stay in care. (See **Section F, Third Party Payments on page 27** for more information.)

If you are a joint owner of your home, but its value cannot be disregarded after 12 weeks, the Adults and Communities Department may still be able to help you in these circumstances although this situation is far more complicated and therefore you will need to seek further advice.

The following points should be taken into account before taking up the Adults and Communities Department Deferred Payment option:

- The level of financial assistance available is dependent upon the assessment of your care needs by the Adults and Communities Department.
- The contribution made by the Adults and Communities Department towards your fees will be recovered from the proceeds of the sale of your home or other release of capital in the future. However the total money recovered by the Adults and Communities Department will not leave you with savings below the lower capital limit applicable for the period the debt relates to (£14,250 from April 2009).
- Any entitlement you may have to Attendance Allowance or Disability Living Allowance care component will be the same whether you choose to self-fund or request assistance from the Adults and Communities Department. A legal decision allows people to receive Attendance Allowance or Disability Living Allowance Care Component while taking advantage of a loan from the Adults and Communities Department, provided the proceeds from the future sale of your home are likely to be sufficient to refund the Adults and Communities Department in full. Pension Credit or Income Support (for residents under 60) may also be claimed if the Department for Work & Pensions accepts that you are continuing to take reasonable steps to sell your property.
- In addition to the Adults and Communities Department Deferred Payment Arrangement, there are an increasing number of commercial products which may help you to meet the cost of your care as well as seeking to maintain your capital assets. **You will need to seek specialist advice from an independent financial adviser if you would like further information about these products.**

SECTION H

Checklist for people who are entering permanent residential or nursing care

✓	Contact your local Adults and Communities Department office (see Section J on page 33) to arrange a Community Care Assessment which will help you decide the type and level of care and attention you need and can give an indication of how much this will cost.
✓	Ask the Adults and Communities Department to arrange a financial assessment to find out whether they can help with the cost of your care.
✓	Choose the right home for your needs. Leicestershire County Council and other organisations produce a Directory of Registered Care Homes for Leicester, Leicestershire and Rutland. See Section J on page 33 for how to obtain a copy. All independent, voluntary and local authority homes are listed together with a description of the type and level of care on offer.
✓	Arrange Appointeeship with the Department for Work and Pensions, Lasting Power of Attorney or Deputyship through a solicitor, if the resident cannot manage their own financial affairs.
✓	If you rent your home you will need to give notice on the tenancy and also inform your local council if you were receiving Housing Benefit. Housing Benefit normally stops on the day you enter permanent care.
✓	Contact your local council to arrange for exemption from Council Tax if your former home is unoccupied after you enter permanent residential care. Council Tax discounts are also paid to reduce Council Tax for example in cases of Severe Mental Impairment. If this has not been considered before you entered care, it is possible to do a late claim. You should seek advice.
✓	Consider a claim for Attendance Allowance/Disability Living Allowance if you do not already receive it or a review in the rate to recognise your increased care needs e.g. if you now need help at night. See Section E on page 22 for details about who can claim and how to do this.
✓	Inform the Department for Work and Pensions <u>and</u> the Disability Benefits Unit (if you receive Attendance Allowance/Disability Living Allowance) as soon as possible of the date you enter permanent care. You should also inform the Disability Benefits Unit if your local authority either starts or stops helping you with the cost of your care. See Section J on page 33.
✓	It is advisable, if your former home is left unoccupied, that you contact your insurance company (buildings and contents) to inform them of this fact.
✓	If the care home is proposing to charge more than the Adults and Communities Department would normally expect to pay to meet your needs, you should read Section F Third Party Payments on page 27.

SECTION I

Step by step guide for residents with property.

1. When residential care is required a financial assessment form will need completing . This form asks for details of the income, capital and certain expenses of the claimant.
2. On receipt of the financial assessment the Adults and Communities Department will calculate the charge which needs to be paid by the resident. (for an example of an assessed charge see **Section A on page 9**). There may also be a third party charge which is to be paid. (See **Section F on page 27**) This third party charge is the difference between the local authority banded rate and the care home fee. One invoice will be sent for the assessed charge and one for the third party charge.
3. A Residential Care Adviser may contact the resident or the resident's representative to explain the financial process.
4. During the first 12 weeks of a residential stay the property previously occupied by the resident is not counted as capital. At the end of this period however it is taken into account and so the full care home fee is payable as the local authority cannot assist with the costs. The local authority can, however, offer a deferred payment arrangement so that the full cost of the home does not need to be paid by the resident immediately. (See **Section G on page 28**).
5. The Department for Work and Pensions needs to be informed of the resident's stay in care because social security benefits can be affected by this. Attendance Allowance, for example, ceases to be payable after 28 days in hospital and in a care home. This allowance is payable again after the 12 week period. (See **Section E on page 22**).
6. It is important to ensure that all the possible social security benefits to which the resident is entitled are claimed as this will help towards the care home fees. Attendance Allowance (or Disability Living Allowance for residents under 65) and Pension Credit are the usual benefits claimed.
7. If Attendance Allowance (or Disability Living Allowance Care Component) is not paid at the higher rate then the Department for Work and Pensions should be asked to revise this as it is very likely that this rate should now be in place as care is provided at night as well as during the day. They will issue form DBD138 which should be completed and returned.

8. Pension Credit may be payable if the resident's property is for sale. The Department for Work and Pensions will issue the following three different forms which need completing for this benefit to remain payable.

Form PC2 is a change of circumstances form which requests details of the change of address to the residential home.

Form A64A requests information regarding the property owned by the resident. It is important on this form to indicate that steps are being taken to realise a sale, if that is the intention, even if at the time no estate agents are involved because the property is being cleared or renovated.

The third form, the PC10, requests information which enables a severe disability premium to be paid in the pension credit. It is important on this form to answer yes to the question asking if the resident lives alone even though this may appear strange because s/he is in a care home with other residents. This is because the resident does not share her/his "household" with anyone else.

9. If the property is sold the local authority need to be informed so that the deferred payment can be ended and the amount owed repaid.
10. The Pension Service will need to be informed if pension credit is in payment and the property is sold.

SECTION J

Useful Contacts

Local Adults and Communities Department Offices - www.leics.gov.uk

To arrange a Community Care Assessment and obtain a copy of the Directory of Registered Care Homes or advice regarding any aspect of residential care and charging.

27 Upper Bond Street
Hinckley, LE10 1RH

Telephone 01455 636964

3 High Street
Coalville, LE67 3EA

Telephone 01530 275200

County Buildings
Leicester Road
Melton Mowbray, LE13 0DA

Telephone 01664 564698

Bassett Street
South Wigston, LE18 4PE

Telephone 0116 2787111

Brooklands
Northampton Road
Market Harborough, LE16 9HN

Telephone 01858 465331

Pennine House
2 Lemyngton Street
Loughborough, LE11 1XA

Telephone 01509 266641

Commission for Social Care Inspection

For general information regarding care homes (but not funding issues), including copies of inspection reports about specific care homes.

The Pavillions
5 Smith Way,
Grove Park,
Enderby,
Leicester, LE19 1SX

Telephone: 0116 2815900
Website: www.csci.org.uk
e mail : enquiries@csci.gsi.gov.uk

Department for Work and Pensions

The Department for Work and Pensions consists of two agencies:

- 1) The Pensions Service, which can assist people over 60 with matters including Pension Credit, Retirement Pension, and in some cases regarding Attendance Allowance and Disability Living Allowance

The Pensions Service,
PO Box 6773,
Leicester.
LE1 1XE

Customer Contact Centre - Tel: 0845 6060265
For new claims – Tel: 0800 991234
Website – www.dwp.gov.uk

- 2) JobCentre Plus, which can assist people under 60 with most benefit matters

You should contact your nearest JobCentre Plus office as indicated below:-

Coalville, Whitwick Road, Coalville, LE67 5FB – Tel: 01530 503800

Hinckley, 46 New Buildings, Hinckley, LE10 1HW – Tel: 01455 542000

Loughborough, 2 Lemyngton Street, Loughborough, LE11 1UT – Tel:
01509 831000

Lutterworth, 4 Shambles Court, Bell Street, Lutterworth, LE17 4DW – Tel:
01455 542100

Market Harborough, 8 Coventry Road, Market Harborough, LE16 9BZ – Tel:
01858 473900

Melton Mowbray, Crown House, 50-52 Scalford Road, Melton, LE13 1JA –
Tel: 01664 534200

Leicester, 2 Charles Street, Leicester, LE1 3JD – Postcodes LE2, LE5, LE18,
LE9
Tel: 0116 2068000

Leicester, 2A New Walk, Leicester, LE1 6TF – Postcodes LE3, LE8 0, LE8 4,
LE8 5,
Tel: 0116 2068200

Leicester, 60 Wellington Street, Leicester, LE1 6DS – Postcodes LE1, LE4,
LE6, LE7
Tel: 0116 2529000

Job Centre Plus Contact Centre for new claims – Tel: 0800 0556688

Website – www.dwp.gov.uk

Attendance Allowance/Disability Living Allowance Help Line

A telephone (or textphone for people with speech or hearing problems) helpline operated by the Department for Work and Pensions to give advice about Attendance Allowance and Disability Living Allowance.

Telephone: 08457 123456
Textphone: 08457 224433
Website: www.dwp.gov.uk

Or if you wish to write:

Disability Benefits Unit, Warbreck House, Warbreck Hill, Blackpool, FY2 0YE

Department for Work and Pensions - Benefits Enquiry Line

A telephone advice line for general advice about benefits for people with disabilities and assistance with the completion of Attendance Allowance and Disability Living Allowance claim forms.

Telephone: 0800 882200
Website: www.dwp.gov.uk

Independent Advice Agencies

Age Concern

Independent Advice about your rights

Age Concern Leicestershire and Rutland	0116 2992233
Residential & Nursing Care Advisory Service	0116 2992274
Care Homes Advocacy Project	0116 2992233
Website	www.ageconcern.org.uk

(Shops stock leaflets and information booklets)

Help the Aged

A National Care Fees Advisory Service. Telephone 0500 767476

Help the Aged General Enquiries	Telephone: 0808 800 65 65
	Website: www.helptheaged.org.uk