



# Financial arrangements for your stay in a residential or nursing care home

**Sometimes living at home is no longer a practical option and moving into a residential or nursing care home may be the best way forward.**

**The majority of people will have to pay something towards the cost of their stay, a sum that is calculated using Department of Health guidelines. Some people may fund their stay with no financial assistance from the Council – this is self funding.**

**This guide will give you a better understanding of the financial aspect of residential or nursing care homes.**

## **Will I have to pay?**

Most people have to pay something. There are only a few exceptions to this, such as aftercare services under Section 117 of the Mental Health Act that puts a duty on social care services to provide care to some patients.

People with over £23,250 in capital – both savings and investment – will have to pay the full cost of the residential and nursing care home. This sum is known as the capital limit.

The capital limit is decided by Government and normally increases in April every year. You can read more about what qualifies as savings and investment throughout this guide.

If you are receiving nursing care you may be able to get help with part of your care costs through the NHS. They will determine your nursing needs and decide whether you are entitled to receive a Free Nursing Care Payment. This is currently £108.70 per week. If you pay the full cost of your services, the free nursing care element will be deducted from your final bill. You will still have to pay a contribution for accommodation charges. This will be worked out in the normal way.

You may also be able to get your care costs paid for by the NHS if you meet the continuing care criteria.

For more information on continuing care criteria and the Free Nursing Care Payment, contact **NHS City and Hackney: Call 020 7683 4000**

## **How do you work out what I have to pay?**

Firstly we will undertake a care assessment to determine the level of funding that we are able to provide towards the cost of your care. Everyone is entitled to this assessment.

We will ask you to fill in a Financial Assessment Form (CA1), to give us up to date information about your income and any assets you have such as savings, bonds, property, etc. Your income should include any Department for Work and Pensions (DWP) benefits and pensions you receive.

We don't take into account the first £14,250 of your capital. If you have savings of over £23,250, or you do not want to give us details of your finances, you will have to pay the full cost of your stay.

For every £250 you have between £14,250 and £23,250, we add £1 a week to your income. This is called tariff income and does not reflect the actual interest you get from your savings, which is ignored when calculating your income.



### Example 1

You have £15,000 savings. We ignore the first £14,250.  
This leaves £750.

**We add £3 to your weekly income.**

### Example 2

You have £16,250 savings. We ignore the first £14,250.  
This leaves £2,000

**We add £8 to your weekly income.**

The Charging for Residential Accommodation Guide (CRAG) Income Team will send you a letter that tells you how much your weekly amount is from the date you go into the care home. We will also tell you how we have worked out your weekly contribution. In most cases you will be asked to pay this contribution directly to the Care Home provider.

The CRAG Income Team calculates charges for residential and nursing care, required under the National Assistance Act 1948, by assessing people on their income, savings, property, premium bonds, shares, and other known assets.

To contact the **CRAG Income Team**:

Call: **020 8356 6262**

Email: [access@hackney.gov.uk](mailto:access@hackney.gov.uk)

## What happens if the care home I choose costs more than Hackney are able to pay?

In circumstances where you choose a care home that is more expensive than Hackney Council could pay, as determined by your care assessment, a top up agreement can be put in place. This will need to be agreed and paid for by a third party. This can be a relative or friend, but by law you are not allowed to pay your own top up from your capital.

If there is nobody to pay a top up we can support you to move to other suitable accommodation that the Council can afford to pay.

If at any point the third party stops paying the top up, we will discuss what happens next with you. This may mean moving to another suitable residential or nursing care home.

## What should I do if I disagree with how much I have to pay, or have a general complaint?

The CRAG Income Team will be able to explain how your contributions are calculated, and to reassess your situation if necessary. For any complaint you should talk to them in the first instance.

To contact the **CRAG Income Team**:

Call: **020 8356 6262**

Email: [access@hackney.gov.uk](mailto:access@hackney.gov.uk)

The following rules also apply:

- We have to ignore the value of your house for the first 12 weeks that you live in a residential or nursing care home. This is known as the 12 week property disregard period
- Normally, after this 12 week period, we take into account the value of your home. In most cases this will mean that you will be liable to pay the full cost of your stay. However, if you do not have savings or other assets of more than £23,250 that are immediately available, we can delay the full charges until your house is sold.
- You will continue to pay charges based only on your income and savings, but because you are liable for the full cost of your accommodation, a debt will build up, with your house as security. We will secure our interest in your house by registering a charge at the Land Registry.

## What happens until my property is sold?

Once Hackney Council secures interest in your property by registering a charge, we will continue to fund the residential or nursing placement until such time when the property is sold. During this time you will continue to pay the assessed charge based on your income and savings direct to the care home.

The Financial Assessment Team will regularly tell you about the debt that is building up against your property.

## Can I give away my capital?

You must not give away your capital in an attempt to avoid paying all or part of the charges. If you do this, we can assess you as if you still have these assets.

## Can I claim Department for Work and Pensions benefits?

You can only claim DWP benefits if you are self funding your stay. If so you may be entitled to Attendance Allowance, Disability Living Allowance, some Pension Credit or Income Support in addition to your State Retirement Pension or Incapacity Benefit.

If you have received local authority funding before or you have been in hospital, your Attendance Allowance or Disability Living Allowance may have been withdrawn. If you are now self funding you can ask for these to be reinstated.

You should contact the Disability Benefits Centre for more information:

Disability Living Allowance and Attendance Allowance Helpline:

Telephone: **08457 123 456**

Textphone: **08457 22 44 33**

You can also use the RNID Text Relay service.

**The helpline is open from 7.30am to 6.30pm, Monday to Friday.**

Email: [dcpu.customer-services@dwpgsi.gov.uk](mailto:dcpu.customer-services@dwpgsi.gov.uk)

If following a care assessment you have been told that your care and accommodation costs are wholly funded by the NHS as part of your aftercare package (also known as Continuing Care), then special rules for payment of Attendance Allowance and Disability Living Allowance, and maybe Pension Credit, apply. Although under Continuing Care you are not expected to pay any fees, your benefits may reduce.

## What happens if my savings drop below £23,250?

If this happens you should contact the Social Services Department of the area your residential or nursing home is located.

If this is Hackney, you should contact the Access Team. A care manager will do an assessment of your needs to see whether we can help you pay your fees. The CRAG Income Team will then work out the new amount you have to pay. You will be asked to provide us with all your financial details and fill out a Financial Assessment Form (CA1).

To contact the **Access Team**:

Call: **020 8356 6262**

Email: [access@hackney.gov.uk](mailto:access@hackney.gov.uk)

## I still have bills to pay for my own home. What happens while I am staying in the residential or nursing care home?

If you own your own property, we will include in your financial assessment housing costs for the 12 week disregard period. If you live in privately rented accommodation, we may allow eight weeks housing costs. If you live in Council owned accommodation, we usually allow housing costs to the end of tenancy. However, these may change due to your circumstances and if anyone else lives in the property.

You will have a review meeting with your care manager and someone from the residential home after you've been living in the residential or nursing care home for about 6 weeks. At this meeting, it will be decided whether it is in your interests to stay in the residential home. Until the review meeting takes place, we might allow some home expenses depending on your situation.

If you go into a residential or nursing care home, your Housing Benefit and Council Tax Benefit may be affected.

To find out more you can contact the Council's **Benefits Team**:

Call: **020 8356 3399**

Email: [benefit@hackney.gov.uk](mailto:benefit@hackney.gov.uk)

## What should I do with any money I receive before I get my first bill?

The CRAG Income Team will advise you on how much you have to pay once a financial assessment has been carried out. We usually expect the care home to collect the weekly contribution from you.

This means that you should save any money you have coming in, including State Retirement Pension, to pay the bill when it arrives.

## What am I allowed to keep for personal expenses?

You are allowed to keep a minimum of £22.60 each week for your own personal use. People who receive pension credit (savings credit) could be entitled to a further £5.75 personal allowance per week. This will be determined by the CRAG Income Team.

## What is capital?

Your 'capital' is the total amount of your savings, income and investments.

## What income will be taken into account when deciding how much I have to pay?

We will take into account most of the money you have coming in, including:

- State Retirement Pension
- Pension Credit
- Wages or salary
- Other Social Security benefits
- Pension from a former employer
- Attendance Allowance and Disability Living Allowance (care component).



Attendance Allowance and Disability Living Allowance (care component) are only payable for the first four weeks of a permanent stay if funded by Hackney Council. You will then have to relinquish these benefits. If you are self funding you may retain these benefits, however.

## What savings and investment will be taken into account when deciding how much I have to pay?

We will take into account investments that you may have, including:

- Buildings
- Land
- National Savings Certificates
- Premium Bonds
- Stocks and shares
- Any savings held in a building society, bank current accounts, deposit accounts or special investment accounts.

## If I own a house will its value be included in the assessment?

In some circumstances the value of any house you own, or jointly own, may be taken into account when looking at whether you qualify for help towards the cost of your care.

We will not include the value of your home in your financial assessment if:

- Your husband, wife or partner lives there
- A relative aged 60 or over lives there
- A relative under 60 who receives certain disability allowances lives there
- A child under 16 for whom you are financially responsible lives there.

If there are no special circumstances, we have to take into account the value of your house when considering how much you should pay for your residential or nursing care home.

## What happens if I go into hospital?

Normally, your benefits will continue and you will continue to pay your normal charge while you are in hospital or until your place at your care home is given up by agreement.

You should notify the Department for Work and Pensions of any hospital admissions as it might have an effect on your benefits and on the contribution you pay towards your care. The CRAG Income Team should be notified of any changes in your benefits.

To contact the **CRAG Income Team**:

Call: **020 8356 3966**

Email: **access@hackney.gov.uk**

## Other Information:

### Choosing a care home

We can provide information and advice about choosing a care home. We will provide you with a list of registered homes within an area of your choosing, and can advise you on the types of questions to ask when looking for or visiting a care home.

To find out more contact the **Access Team**: Call: **020 8356 3966**

Email: **access@hackney.gov.uk**

The Care Quality Commission (CQC) website contains a useful facility to find a care service or care home, located on the right hand side of their home page. This enables you to search for a care home in your preferred area, the type of care available, their star rating, and provides access to their latest inspection reports.

To find out more, visit:

**www.cqc.org.uk**

## Financial assessments

You can get more information about the way financial assessments are calculated by contacting our CRAG Income Team

To contact the CRAG Income Team:

Call: **020 8356 3966**

Email: **access@hackney.gov.uk**

## Other useful contacts:

### The Pension Service

PO Box 1005  
Newcastle Upon  
Tyne  
NE98 1WZ  
Call: **0845 6060265**

### Age UK Hackney

22 Dalston Lane  
London  
E8 3AZ  
Call: **0800 9179830**

### Pension Credit

**Application Line:**  
Call: **0800 991234**

### Disability Benefits Centre

Warbreck House  
Warbreck Hill  
Blackpool  
FY2 0YE  
Call: **0845 7123456**

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### Bengali

এই দলিলে কি লেখা আছে সে সম্পর্কে যদি আপনি জানতে চান তাহলে অনুগ্রহ করে উপযুক্ত বাক্সে টিক দিন, এই পাতার নীচে আপনার নাম, ঠিকানা ও ফোন নম্বর লিখুন এবং এটি নীচের ঠিকানায় ফেরত পাঠান।

### Somali

Haddii aad jeclaan lahayd in aad ogaato waxa dokumeentigani sheegayo fadlan calaamadi godka ku haboon, ku qor magacaaga, cinwaanka iyo telefoon lambarkaaga boggan dhankiisa hoose ka dibna ku celi cinwaanka hoose.

### French

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### Spanish

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### Kurdish

Ger hun dixwazin bizanibin ku ev dokument çî dibêje, ji kerema xwe qutîka minasib îşaret bikin, nav, navnîşan û hejmara telefona xwe li jêrê rûpel binivîsin û wê ji navnîşana jêrîn re bişînin.

### Turkish

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### Polish

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### Vietnamese

Nếu bạn muốn biết tài liệu này nói gì hãy đánh dấu vào hộp thích hợp, điền tên, địa chỉ và số điện thoại của bạn vào cuối trang này và gửi lại theo địa chỉ dưới đây.

### Urdu

اگر آپ یہ جاننا چاہتے ہیں کہ دستاویز میں کیا لکھا ہے تو ازراہ کرم مناسب باکس میں صحیح کا نشان لگائیے اور اپنا نام، پتہ اور فون نمبر اس صفحہ کے نیچے لکھئے اور اسے نیچے دیئے گئے پتہ پر واپس بھیج دیجئے۔

### Chinese

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