
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. 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 £158.16 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 free nursing care payments a public information leaflet is available from the **NHS, NHS Continuing Healthcare and NHS-funded Nursing Care**

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 Care Charging 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.

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 will 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 only allowed to pay your own top up from your capital in limited circumstances.

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. If you wish to arrange a top up agreement with the Council please contact the Care Charging Team.

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

The Care Charging 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.

Can I give away my capital?

You must not give away your capital in an attempt to avoid paying all or part of the care 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?

Yes you can claim DWP Benefits. However you may not be entitled to certain benefits unless you are self funding, such as Attendance Allowance, DLA Care Component, PIP Care Component. You may still be entitled to the mobility components of the DLA or PIP. Please contact or check DWP website for further informations.

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been in hospital, your Attendance Allowance, Disability Living Allowance or Personal Independence Payment may have been withdrawn.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

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 Pension Credit, apply. Although under Continuing Care you are not expected to pay any fees, your benefits may reduce.

Disability Benefits Centre

Get advice or information about a claim you've already made for Disability Living Allowance, Attendance Allowance or Personal Independence Payment.

Disability Living Allowance (DLA)

If you were born on or before 8 April 1948

Telephone: **0345 605 6055**

Textphone: **0345 604 5312**

Monday to Friday, 8am to 6pm

Find out about call charges

If you were born after 8 April 1948

Telephone: **0345 712 3456**

Textphone: **0345 722 4433**

Monday to Friday, 8am to 6pm

Find out about call charges

Attendance Allowance (AA)

Attendance Allowance helpline

Telephone: **0345 605 6055**

Textphone: **0345 604 5312**

Monday to Friday, 8am to 6pm

Find out about call charges

Personal Independence Payment (PIP)

PIP helpline

Telephone: **0345 850 3322**

Textphone: **0345 601 6677**

Monday to Friday, 8am to 6pm

Find out about call charges

There's a different number if you want to make a claim for PIP.

Postal address for DLA Adult (aged 16 and over)

Disability Benefits Centre, Warbreck House, Warbreck Hill, Blackpool Lancashire FY2 0YE

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 Care Charging 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

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

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

The Care Charging 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 £24.90 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 Care Charging Team.

What is capital?

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

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
- Income Support
- Pension Credit
- Other Social Security benefits
- Pension from a former employer
- Attendance Allowance, Disability Living Allowance (care component), Personal Independence Payment (daily living component).

Attendance Allowance, Disability Living Allowance (care component), Personal Independence Payment (daily living 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.

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 property will its value be included in the assessment?

In some circumstances the value of any property 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 property when considering how much you should pay for your residential or nursing care home.

The following rules also apply:

- We have to ignore the value of your property 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.

You may decide that you do not want to sell your home to pay your care home costs, new rules introduced by the government mean you do not have to sell your home in your lifetime to pay your care cost. The Council can offer you a Deferred Payment arrangement if you meet the criteria and we are able to secure a first legal charge on your property. For more information on Deferred Payment arrangements please see our separate leaflet.

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 Care Charging Team should be notified of any changes in your benefits.

How will the Care Act 2014 affect me?

The Care Act came into force in April 2014.

From April 2015 we have introduced a Deferred Payment Scheme, this means that if you own your own home you will not have to sell your home in your lifetime to pay for your care. More information on the Deferred Payment Scheme criteria is available in our Deferred Payment Scheme Leaflet or on our web page: www.hackney.gov.uk/money-matters

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. If you have eligible needs you can ask us to arrange your care and support on your behalf.

To find out more contact the **Access Team**: Call: **020 8356 3966**
Email: access@hackney.gov.uk

The Care Quality Commission (CQC) website can be of help to you when you are looking for a care service or care home. The link you need is www.cqc.org.uk. This enables you to search for a care home in your preferred area, informs you of their quality rating and provides access to their latest inspection reports.

To find out more, visit: www.cqc.org.uk

Seeking Financial Advice

We can help you to access services that offer information and advice on a range of financial issues including debt, paying for care, maximising income and planning for later life. Our staff may provide advice directly or can help you to access specialist services including independent financial advice. You can also find out about these services through our i-Care directory: www.hackneyicare.org.uk

Financial Assessments

You can get more information about the way we carry out financial assessments by contacting our Care Charging Team

To contact the **Care Charging Team**: Call: **020 8356 4738**
Email: carecharges@hackney.gov.uk

Other useful contacts:

The Pension Service Call: 0800 731 7898 Textphone: 0800 731 7339	Pension Credit Application Line: Call: 0800 991234	Age UK Hackney 22 Dalston Lane London E8 3AZ Call: 020 8981 7124
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If you would like the document in any of the following formats please complete and send the form to the address below.

In large print **In Braille**
On Disk **On audio tape**

In another language, please state:

Name:

Address:

Tel:

Return to: Care Charging Team, Hackney Service Centre, 1 Hillman Street E8 1DY