

# FACT SHEET ONE

## *Financial Help for people going into permanent Residential or Nursing Care*

The department in Warwickshire County Council who are responsible for Residential/Nursing Care Homes are called, 'Adult, Health and Community Services'. For convenience this leaflet refers to Warwickshire County Council [WCC].

### **WHO IS THIS FACT SHEET FOR?**

This Fact Sheet tells you what extra financial help you can get to pay for a permanent stay in a Residential Care or Nursing Home. It covers adults of all ages.

It deals both with the situation where you might be fully funding yourself (self-funding) or where you need financial help from WCC.

For temporary stays see Pb7 Fact Sheet Two.

Very few people have enough weekly income to afford the fees of a Residential Care or Nursing Home.

There are up to 3 main sources of financial help:

- extra benefits which you may be able to claim when you go into a Care Home;
- financial help from WCC towards the cost;
- funding by the Health Authority if you are going into a Nursing Home.

The type of help you get depends on having an assessment of your care needs. You can ask WCC to do this. If you are in hospital the assessment may be done jointly with the Healthcare staff.

If you have a lot of savings or other capital, or a house to sell when you go into the Care Home you may get less help with the fees. This leaflet explains how this affects you.

## **HOW CAN I MEET THE COST OF THE HOME?**

You can pay for the Home by:

- \* Claiming all the benefits to which you are entitled and using this, together with your other income and savings to meet the fees.  
OR
- \* Using your income, including benefits, to meet part of the cost and asking WCC to meet the balance.  
OR
- \* Asking the Health Authority to pay some or all of your care if you are in a Nursing Home and have especially high nursing needs

**Note:** *Most people have to ask WCC for help with residential home fees as benefits alone are rarely enough to meet the cost. Thus you can only fund yourself if you have substantial capital, or your income is very high.*

## **WHICH BENEFITS ARE AVAILABLE?**

You will be getting some social security benefits already. Most of these can continue when you go into a Home.

### **A. You should already be getting one of these Income Replacement benefits.**

- \* Retirement Pension if you are over pension age [60/65], *or*
- \* Incapacity Benefit or Severe Disablement Allowance if you are under pension age and too sick or disabled to work, *or*
- \* Widows Pension/Bereavement Allowance if your spouse has died.

All of these continue to be paid in full when you go into residential care.

### **B. You may also be getting one or more Disability Benefit.**

These are:

- \* Industrial Injuries Benefit if you have an industrial illness or accident at work,
- \* WarPension/Armed Forces Compensation Scheme if your disability was due to being in the armed forces,
- \* Attendance Allowance [AA] if you are 65 or over and need a lot of looking after, *or*
- \* Disability Living Allowance (DLA) Care Component to pay for your care needs,

- \* DLA Mobility Component if you have difficulty walking, or need someone with you when outside.

These benefits can continue when you go into Care, but AA/DLA Care Component will stop after 28 days if WCC help to meet part of the cost of your Care Home or if the Health Authority are fully funding your nursing home. Remember to let the local JobCentre Plus (JSP) or Pension Service, and Disability Benefits Unit (DBU) know that you have gone into Care.

When AA/DLA Care stops you will not be worse off if WCC are helping with the costs as they will increase the amount they pay towards your Home.

### **C. Income Support or Pension Credit**

Income Support and Pension Credit top up other benefits to help you pay your residential care or nursing home fees.

Income Support is payable if you are aged under 60,  
Pension Credit is paid to those aged 60 or over.

You can claim either of these if:

- \* your income is too low to pay your fees, and
- \* your capital is not too high (see below).

If you are receiving Attendance Allowance or DLA Care [middle or highest rate] you are paid more Income Support or Pension Credit for up to the first 28 days of your stay. From then it will reduce to the 'normal' level of benefit.

Don't forget to tell the JSP/Pension Service/DBU that you have gone into Care so that they can adjust your benefits.

### **HOW DO I CLAIM THE CORRECT BENEFITS?**

Tell your local JSP [if aged under 60] or Pensions Service that you are going into residential care.

Ring 0800 882200 for a DLA or AA claim pack. You can contact a local advice agency for help filling in the forms.

If you think you might be entitled to any other benefits ring your local JSP office for a claim form on 0800 055 66 88 or the Pension Service on 0800 991234.

If you feel unable to deal with benefit matters you can ask somebody to do it on your behalf. This person can become your appointee for benefit purposes. Write to the JSP/Pension Service giving their name, address and date of birth. If the JSP/Pension Service agrees to make them your appointee they can sort out everything to do with your benefits.

## **WHAT IF I HAVE CAPITAL?**

“Capital” means both savings and other assets (e.g. shares or the value of property which you own). Only your own capital counts - not that of your spouse or partner.

Benefits under **A** and **B** are not affected by your capital, whereas Income Support and Pension Credit are.

Income Support and Pension Credit have separate capital limits, as do WCC.

- You cannot get **Income Support** if your capital is over £16,000, **and**
- Any capital between £10,000 - £16,000 will reduce the amount of Income Support you can receive.
- There is no upper capital limit for **Pension Credit** but any capital above £10,000 will reduce the amount of Pension Credit you can receive.
- You cannot normally get financial help from **WCC** if your capital is over £23,000. Any capital between £14,000 and £23,000 reduces the amount WCC will pay towards your care.

Property can also count as capital, for example your own home counts as a capital asset when you enter residential care. However, if

- a spouse or partner, or
- relative who is disabled or over 60

lives there, the value is ignored. WCC have an extra discretion to ignore the value of your home if your former carer [or dependent child] is still living there. If your home is empty, or occupied by someone else you are expected to sell it and use the proceeds to pay for your Residential Home. You can claim Income Support or Pension Credit, and receive WCC financial help until it is sold.

WCC will ignore your former home as a capital asset for the first 12 weeks of you entering permanent Care whilst your home is up for sale, but will take account of its value after that. They may put a legal charge on it, so that you can repay them once it is sold.

Once the house is sold, and assuming your capital is now over £23,000, you cease to be eligible for WCC help, but you can continue to claim other benefits. You may still be eligible to claim Pension Credit.

**Note:** *If you have more than £10,000 and you deliberately spend or give away a large amount of your capital so that you can get Income Support or Pension Credit, you can be treated as if you still possess it and be refused benefit, or WCC financial help. If you want to use some of your capital in this way you will need to make sure that you have enough left to meet your residential care fees.*

## **FINANCIAL HELP FROM WCC**

Even if you have claimed all the benefits to which you are entitled you are unlikely to have enough income to pay your Care Home fees. You therefore need to ask WCC to help pay for the cost. They can pay for both Residential Care and Nursing Homes.

When you ask them to help you meet the cost they will do an assessment of your needs. They will then:

- decide if you need residential or nursing care rather than other services to help you stay at home,
- help you to find a suitable Care Home and arrange for you to move there,
- agree an appropriate price for the Home,
- do a financial assessment to see how much you can pay towards the cost.

If you have more than £23,000 in savings they will not pay for your fees at all and you will have to meet the full cost yourself using both your income and your savings. However they can still assess your needs and help you find the most suitable home. They can also help to fund you when your savings drop below this level. Make sure you let them know when this happens.

If your savings are less than this WCC pay the full fees when you go into a Care Home and then charge you a contribution towards the cost, based on their financial assessment. You must contribute all of your income towards this cost but they will leave you with the following amounts:

£21.90 per week (for daily expenses) plus  
up to £5.65 if you are 65 or over and getting the Pension Savings Credit plus  
the whole of your Disability Living Allowance Mobility component.

**Note:** When doing the financial assessment only your savings and income count, not those of your spouse or partner. If you get an occupational or private pension and want to give some of this to a spouse or partner at home you can do so but ask the WCC Financial Assessment Officer to advise you if this is best for you financially.

## **FUNDING FROM THE HEALTH AUTHORITY (NURSING HOMES ONLY)**

The Health Authority normally meets the cost of your care when you are in hospital. If you go into a Nursing Home, WCC usually helps with the cost. An assessment of will be done to decide what sort of help you need and who should fund your stay.

The Health Authority always makes a weekly contribution towards Nursing Home fees. This amount is designed to cover the *nursing* element of your care, and increases annually [the 2009/10 weekly amount is £106.30]. A higher rate is paid where you were previously assessed as needing high levels of care prior to October 2007, and continue to do so [£146.30 at 2009/10 rates].

This amount is paid even if you are getting help from WCC as well.

If you are assessed as having particularly high nursing needs the Health Authority can pay for the full cost of your Nursing Home with you paying nothing. The assessment of your needs will make it clear if the Health Authority should fund you. If they refuse you can appeal against the decision.

Ask WCC to help you with the fees in the meantime and claim all the extra benefits described in this leaflet.

If the Health Authority pays your full Care Home fees you can keep your savings and income to spend as you wish. Be sure to check that you are getting all the benefits you are entitled to and remember to tell the Disability Benefit Unit so they can stop paying your Attendance Allowance/Disability Living Allowance.

### **THE THREE SCENARIOS**

There are three main scenarios for people entering permanent Residential or Nursing Care.

#### **1. FULLY SELF-FUNDING - High levels of capital**

If you have capital of over £23,000 you will be fully self-funding, unless you are in a Nursing Home. In that case the Health Authority can either pay a contribution towards the cost of your nursing Care or even the full cost of your Nursing Home (if your needs are assessed as very high). You will not be able to get WCC financial assistance until your capital drops below this level.

However, it may still be in your best interest to have your Care needs assessed before moving into a Home. This is because WCC can tell you what level of care you need and can advise on what charge is appropriate.

You can claim all of those social security benefits listed earlier, apart from Income Support (if your capital is over £16,000). You may still be eligible for Pension Credit if you are aged 60 or over as it has no upper capital limit.

#### **Problems Managing Finance?**

If you are not able to manage your finances and/or your assets are not readily realisable WCC may be able to help you temporarily, if there are no relatives or friends to do this. However, you will have to pay this money back. Ask WCC for advice.

Remember to apply for Pension Credit and to WCC for financial help when your capital drops below £23,000 and to claim Income Support once it goes below £16,000.

## **2. UNDER £23,000 IN CAPITAL**

If your capital is under £23,000 you can claim all the benefits listed above apart from Income Support. This can be claimed if your capital is below £16,000.

If you are in a Nursing Home you are entitled to a contribution from the Health Authority towards the nursing element of your Care.

WCC can now also help fund your stay.

## **3. UNDER £23,000 IN CAPITAL, BUT YOUR HOUSE IS UP FOR SALE**

If your readily realisable capital is under £23,000, but your house is up for sale, you can:

- claim the benefits described in this leaflet and
- get financial help from WCC and
- be paid a contribution from the Health Authority (if you are in a Nursing Home)

The value of the house can be temporarily ignored as a capital asset.

If this applies to you it is likely that you will be better off financially [and in terms of the monitoring of your Care] to approach WCC for help right from the start. This is because, unless the Home fees are very cheap, your income will not usually be enough to meet the full cost.

Once your house is sold you will presumably have total capital of more than £23,000. WCC will not be able to assist you financially. You will be required to reimburse WCC for any balance owing if, for example, it takes longer than 12 weeks to sell your house.

Once sold you can continue to claim all the social security benefits listed earlier except Income Support [on capital grounds]. Your Pension Credit will be reduced or lost.

<p>NB: The figures in this Fact Sheet are correct as at April 2009</p>
--

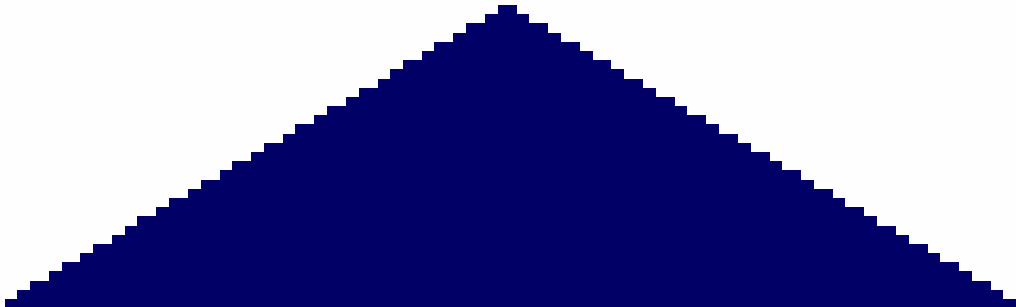
**NB: This item may not be reproduced without prior permission or acknowledgement**

***Produced by: Warwickshire Welfare Rights Advice Service***

***Funded by: Warwickshire County Council***

***Charity Reg No. 1113524***

***Company No. 5730678***



**WARWICKSHIRE**



**WELFARE RIGHTS**



**ADVICE SERVICE**

