

Charging for residential care



Financial Information April 2022 to March 2023

Advice about residential and nursing care home costs

Connected **Lives**

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Why have I been given this leaflet?

You have been given this leaflet because you have considered the option of a residential care placement and you need to complete a financial assessment.

This leaflet explains this process to assess whether or not you have to contribute towards your care.

If you need help to understand this information, please contact us on 0300 123 4042. An interpreting service is available for those people who need it.

If you would like independent advice on funding your care, please call HertsHelp 0300 123 4044

Do I have to pay for my residential care placement?

You may be eligible for funding towards your placement, if you are receiving care and support from a Mental Health Team and you have had a recent assessment by a HPFT staff member which indicates residential care could help you meet your needs.

As part of this process however, you will be required to undertake a financial assessment by Hertfordshire County Council which will tell you how much, if anything, you may also need to contribute towards your social care. This in line with the Care Act 2014.

If you do not qualify for any funding for your care, IE: as a result of savings or assets, you may be required to pay for full care costs. This is explained further in the leaflet. If this is the case, we will give you information and advice and tell you about other help available to you.

Moving into a residential care home is a big decision and you may want to seek independent advice. You can call **HertsHelp via 0300 123 4044**. There is also a list at the back of this booklet of organisations that may be able to support you through this process.

What next?

If you manage your own finances, you will be asked to complete a financial assessment consent form known as an ACS8B. Once this has been completed, you will be sent a financial assessment pack from Hertfordshire County Council which you can be supported to complete. This must be returned to Hertfordshire County Council income team via the below address within 28days of being received.

ACS Income Address:

Adult Care Services
Income Team
SFAR225,
2nd Floor Farnham House
Six Hills Way
Stevenage
SG1 2FQ

We will use the form to work out how much, if anything, you will be charged. If this is not returned, you may automatically be charged full care costs, of which you'll wish to avoid.

If someone else manages or supports you to manage your own finances, this assessment pack can be sent to them instead. If you know this is the case for you, please put their name and address on the ACS8b.

What do I need to do?

Your financial assessment is carried out by Hertfordshire County Council Adult Care Services (ACS) Income Team. They send you or your representative a form to complete and return. You must return the form so they can calculate your income, outgoings and assets (including savings) ASAP to avoid you paying the wrong amount.

They ask for evidence including:

- Bank statements
- Benefit letters
- Pension payslips

Changes in circumstances

You must inform ACS of any change in your financial circumstances throughout your time in placement. If you do not inform them of a change, Hertfordshire County Council reserves the right to do a retrospective financial assessment which may result in a backdated charge to you.

Annual review of your charge

Each year, you will be reassessed for the amount you have to pay and let you know of any change to your charge. You will be sent a review form as part of this annual review. Use this form to tell ACS if your circumstances have changed.



Examples of income that is INCLUDED when working out what you will pay:

Most state benefits including:

- Personal Independence Payment (care component)
- Employment and Support Allowance
- Universal Credit
- State Retirement Pension or New State Pension
- Pension Credit Guarantee element
- Widowed parent's allowance
- Occupational (works) personal pensions or retirement annuity contracts (see page 12)
- Most annuity incomes
- Property rental income (some allowances are made so that you can pay any tax on the income and keep the property maintained)
- Other income not specifically disregarded by regulations.

Examples of income that is EXCLUDED when working out what you will pay:

- Disability Living Allowance (Mobility Component)
- Personal Independence Payment (Mobility Component)
- Most charitable or voluntary payments
- Child Tax Credits
- Guardians allowance
- Christmas Bonus and Winter Fuel Payments
- War related benefits

Income that is counted partly:

- Savings Credit element of Pension Credit (amounts above £5.75 per week for individuals and £8.60 per week for couples).
- War widow's or widower's pensions

How your contribution is worked out

Once you have completed your financial assessment and returned it, ACS income team calculate the amount of your income that is eligible to be included when working out your contribution.

You may be allowed to have money available for certain household expenses for a limited period in some circumstances (such as financial hardship).

You are deducted certain allowances on any rental income you may receive.

You are then deducted your Personal Expenses Allowance of **£24.90** and up to **£5.75** (or **£8.60** for a couple) per week if you have savings credit.

The amount that is left over after these deductions becomes the maximum charge you will pay. This is called your Maximum Assessed Contribution.

When you have had your completed financial assessment, Herfordshire County Council will write to tell you how they have worked out your charge. They will tell you what you can do if you think the charge is wrong.



How much, if anything, you pay towards your care

As part of your financial assessment Hertfordshire County Council make sure you have **£24.90** per week left. This is the statutory Personal Expenses Allowance.

You will have your capital looked at and included, such as savings, shares, premium bonds and your home, if you own it. These are added together. If the total amount of your capital is less than **£14,250**, your capital will not affect your financial assessment.

If your capital is valued at more than **£14,250** but less than **£23,250** we include a charge called Tariff Income, see page 8.

If your capital is valued above **£23,250**, you will need to pay the full cost of your care. The amount you will pay is based on how much it costs to provide you with services.

Hertfordshire County Council uses national guidance called 'Care and Support Statutory Guidance' which makes sure that you do not have to pay more than you can afford for the services you receive. This website tells you more about this www.hertfordshire.gov.uk/payingforcare

When you may need to pay fully for your care (self-funder):

If you have savings (or other available assets) over **£23,250** it is likely that you will need to pay all of your fees, usually directly to the home. If your savings and assets are due to go below this figure, please contact Hertfordshire County Council ACS income team as soon as possible so your financial assessment can be reviewed.

Disposing of savings or capital

If you have disposed of savings, capital or income in order to avoid or reduce your charge for care, you can by law still be treated as having that asset, or in some cases ask the recipient of the asset to make payment instead. This means that you may be charged up to the full cost of your care. Hertfordshire County Council may take legal action.

Disposing of assets can include:

- Transferring title deeds of a property to another person.
- Spending money on a valuable personal possession such as a painting
- Making large gifts
- Paying off a debt that is not due to be paid by you



If you own your home

When you first move to a care home the ACS income team will not count the value of your share of your main home for 12 weeks.

Your owned property value will also not count if it is continued to be occupied by the following *(It must be clear that the following were living at your home before you needed residential care. Also that you did not predict the need for a move to residential accommodation when they moved in.)*

- Your partner
- A relative or a member of your family aged 60 or over, or incapacitated (someone who receives or would qualify for an incapacity or disability benefit)
- or a child under 18 who you are required to maintain.

When the home you own becomes empty or no-one listed above lives there, this will then be included in working out your charge. You should check with your insurance provider that your policy still covers a vacant property.

If your total assets, excluding the value of your home, are more than **£23,250**, you will have to pay the full cost of your care home placement. If you do not want to sell your property or are unable to sell your property straight away there are two schemes offered to help you pay for your care. These are called the **Deferred Payments scheme** and the **Letter of Undertaking scheme**. If you require more information, please contact Hertfordshire County Council via **0300 123 4042**.

Tariff Income

The national charging rules allow the Council to include £1 per week for every **£250** of savings you have above **£14,250** when working out the weekly contribution you will have to pay towards the cost of your care.

Tariff Income is meant to represent an amount a resident with capital over a certain limit should pay towards their care, not the interest earning capacity of that capital

If you have a work or personal pension

Disregarding occupational (works) or personal pensions or retirement annuity contracts, you may decide to pass on half (50%) of your work or personal pension or retirement annuity to your partner, spouse, or civil partner.

If you move into a care home without them you can still pass half onto them. If you do so, Hertfordshire County Council can only disregard exactly 50% and not more or less when working out your charge. We cannot disregard any other income for example State Retirement Pension. Take advice first as your partner may be better off claiming benefits.



Example of financial charging

An example of a single individual in residential care, with capital under the threshold

		Per Week	Notes
a)	Money Coming in (income)		
	Universal Credit - Personal Allowance	£74.96	(Calculated Monthly £324.84 x 12 /52)
	Universal Credit - Limited Capability to Work	£79.30	(Calculated Monthly £343.63 x 12 /52)
	Personal Independence Payment - Daily living Enhanced	£89.60	(Taken out of financial assessment after 4 weeks of being in hospital or a care home funded by Local Authority)
	Personal Independence Payment - Mobility Enhanced	£62.55	Not included in financial assessment
	Subtotal	£243.86	
b)	Capital		
	Current account	£3,500.00	If the total amount of your capital is less than £14,250, your capital will not affect your financial assessment.
	Savings account	£1,500.00	If your capital is valued at more than £14,250, but less than £23,250, we include a charge called tariff income.
	Subtotal	£5,000.00	The national charging rules allow the Council to include £1 per week for every £250 of savings you have above £14,250. If your capital is valued above £23,250, you need to pay the full cost of your care. The amount you pay is based on how much it costs to provide you with services.

		Per Week	Notes
c)	Expenses (costs you have)		
	Rent	£20.00	(Taken out of Financial Assessment after 6 weeks)
	Gas	£10.00	(Taken out of Financial Assessment after 6 weeks)
	Electricity	£10.00	(Taken out of Financial Assessment after 6 weeks)
	Council Tax	£20.00	(Taken out of Financial Assessment after 6 weeks)
	DRE	£ 5.00	DRE not applicable for Residential Care
	Subtotal	£60.00	
d)	Allowances		
	Minimum Income Guarantee	£24.90	Minimum Income Guarantee allowance includes expenses including Gas Electricity, Water, TV licence etc
	Subtotal	£24.90	

		Per Week	Notes
	Calculation		
	Total Cost of Care Contribution before expenses	£243.64	
	a) Money Coming in	£243.86	
Minus	b) Capital (Tariff)	£0.00	No Tariff as Capital under £14250
Minus	c) Expenses	£60.00	
Minus	d) Allowances	£24.90	

Your Maximum Assessed Contribution is:	£158.96	This is the maximum would be paid, if the cost of care is £20 per week then the contribution would be £20
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After 4 weeks the contribution will drop to £69.36 per week, due to PIP stopping. After 6 weeks it will increase to £129.36 due to expenses no longer being included

What residential home fees cover

Residential home fees usually cover your room, meals, laundry and heating. They should not ask you to pay more except to pay for any extras you may choose such as buying newspapers, going for outings or hairdressing.

If you go into hospital you will usually continue to pay towards your residential home placement. This is to keep your room available to you while you are in hospital. We will pay and you also need to make your contribution.

How to pay

If you are not a self-funder, the easiest and safest way to pay your charge is by Direct Debit to Hertfordshire County Council. They will send you a direct debit form.

Hertfordshire County Council will invoice you every four weeks. This shows the dates that you are charged for and all the ways to pay.

Welfare Benefits and care homes

Moving to a care home short term or permanently can affect the state benefits you receive. You should seek advice about benefits to make sure you, and your partner or your carer claim all that you are entitled to.

You should let the DWP or Jobcentre Plus know you have moved into residential care. If you were not already getting one of the benefits listed below, you should enquire for them as soon as possible:

- Disability Living Allowance (care component)
- Personal Independence Payment (daily living component)
- The mobility element of DLA and PIP
- Attendance Allowance

Welfare benefits if you rent as a tenant:

If you move to a residential home you may need to consider whether to retain or relinquish your tenancy at the start of moving into a residential home as you are likely to lose housing benefit or the housing costs element of Universal Credit.

For a short term move when you plan to go back home (and it is not being sublet) you may get help with your housing costs for all or part of the time. Ask your local district or borough council for advice on housing benefit and talk to the DWP about Universal Credit.

Carers:

If you have a carer and they are paid Carer's Allowance or the Carer's Premium on top of some benefits, they should inform their benefits office of your move to a residential home.

Their benefits may change if you lose Disability Living Allowance, Personal Independence Payment, or Attendance Allowance, or if they stop being your carer (except for a temporary break).



What to do if you think your charge is wrong

Hertfordshire County Council calculate your charges based on information in the Care Act 2014, Care and Support Statutory Guidelines, and charging regulations.

You can contact the Adult Care Services (ACS) Income Team and explain why you feel the financial assessment is wrong. If, after we reply you are still not satisfied, you have the right to request a review, see below.

The rules behind calculating charges can be complex so if you need help to understand your charge, please contact the ACS Income Team on **01438 843 434** or by email to acs.income@hertfordshire.gov.uk or by post. Our address is on all letters they send.

Reviews

You can ask to have a review of your financial assessment at any time by writing to the ACS Income Team giving reasons for your request. Please note that they will usually only review the tariff income amount once a year unless there are special circumstances

Confidentiality and privacy

We will treat the information you give us as confidential. we will not share your information with other organisations without your permission, except for the purposes of the detection and prevention of fraud, including benefit fraud or where the law requires us to share your information

Contacts

Age UK Hertfordshire

Advice, support and services for older people in Hertfordshire

- 0300 345 3446
- www.ageuk.org.uk/hertfordshire

Society of Later Life Advisers

Independent financial advice

- 0333 2020 454
- www.societyoflaterlifeadvisers.co.uk

Department for Work & Pensions

For benefit information and advice

- www.gov.uk/browse/benefits

Carers in Herts

Confidential advice, support and information for carers

- 01992 586969
- www.carersinherts.org.uk

Citizens Advice Service

Free, independent and confidential advice

- 03444 111 444 10am - 4pm Monday to Friday
- www.hcas.org.uk

Hertfordshire County Council

Information about adult social care – apply online for meals on wheels or a Blue Badge and make a referral for care services

- www.hertfordshire.gov.uk/adults

Hertfordshire Directory

Find national and local community groups, charities, services and activities

- www.hertfordshire.gov.uk/directory

For information and advice on how to get care and support

- 0300 123 4042
- Textphone: 0300 123 4041
- contact@hertfordshire.gov.uk
- www.hertfordshire.gov.uk/adults

HertsHelp

Independent information and advice on local community services and care funding.

- 0300 123 4044
- 0300 456 2364
- www.hertshelp.net

Calls to 0300 numbers cost no more than a national rate call to a 01 or 02 number.

If you are worried that you or someone you know is at risk of abuse or neglect

- Call us on 0300 123 4042 (24 hours a day)
Call 0300 123 4042 if you would like help to understand this information or need it in a different format. You can also ask to speak to someone in your own language.

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www.hpft.nhs.uk

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