

Moving into a care home

How much will I have to pay?



Before you make the decision to move into a care home, talk to your social care worker about other options that are available to you. You may find there are ways of having your needs met that give you more freedom and independence.

The information in this booklet is to help you once you have had an assessment and made a decision to move into a care home.

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Paying for care

The cost of care varies on the type of care you need and the amount you actually pay for your care will depend on your finances. If you can't afford to pay for your care, Herefordshire Council will carry out a financial assessment to work out whether you are entitled to help.

What happens to my benefits if I go into a care home?

Circumstances vary from person to person so you may want to seek independent advice. It is important that you contact the Department for Work and Pensions to tell them you are going into a care home.

The most common effects on benefits are as follows:

Attendance Allowance and Disability Living Allowance/Personal Independence Payments (PIP) Care Component

These benefits will usually stop after 28 days unless:

- you have made your own arrangements and you are paying the full costs of your care yourself
- Herefordshire Council has made the arrangements for your care and you are paying the full standard charge
- you have entered into a Deferred Payment Agreement (see page 16)

Disability Living Allowance/PIP Mobility Component

A stay in a care home will not affect entitlement to this benefit.

Pension Credit, Employment Support Allowance, Income Support

Your entitlement to these benefits may change once you enter a care home.

Housing and Council Tax Reduction

When you become a permanent resident, Housing Benefit and Council Tax Reduction will stop after a four -week notice period. These benefits may be affected if your stay is short- term but longer than 13 weeks.



You will need to contact the council's housing and council tax benefits team on 01432 260333 or benefits@herefordshire.gov.uk if you move into a care home.

If you move into a care home and your property is left unoccupied, you should notify the council tax team on (01432) 260360, so that they can assess your liability to pay and entitlement to any exemptions.

What happens to my partner's benefits?

Once you move into a care home if your partner remains at home, they may be able to claim benefits like Pension Credit, Employment Support Allowance, Universal Credit, Housing Benefit or Council Tax Reduction in their own right, or to claim an increase in the benefits they are already receiving.

If your stay is long- term, you and your partner will be treated as individuals and have your benefits paid separately. Claiming benefits can be quite complicated but the Department for Work and pensions will tell you what you need to do.

Making your own arrangements

You will need to make your own arrangements for care if one or more of the following situations applies to you:

- you have money, investments or savings above the current upper capital limit.*
- your weekly income is more than the council will pay towards your care

*the current capital limits can be found at the back of this booklet.

If your home is worth more than the current upper capital limit, but the value of your other savings is less, you may be entitled to help with funding for the first 12 weeks of your permanent stay. If you are not in a position to pay the full cost of your care after the 12 weeks you can apply to defer charges through a deferred payment agreement. See page 19 for more information.

If you have a property and have been making your own arrangements, but your savings are below the current capital limit, you will need to get in contact with the council to ask for help with ongoing payments. You can do this by asking for a deferred payment.

You will need to contact the council's advice and referral team on (01432) 260101 and ask for a care assessment to be undertaken before you can apply for a deferred payment agreement. More information on Deferred Payment Agreements is available in a separate leaflet.

You should be able to continue receiving your Attendance Allowance or Disability Living Allowance/PIP Care Component.

If your money is tied up in property which you are actively trying to sell, you may be able to claim some benefits while the property is on the market. In addition, you may still be able to get Attendance Allowance or Disability Living Allowance/PIP care component.

Paying for my care

If you have made your own arrangements you will have to come to an agreement with the home about how you will pay.



Asking for help with charges

If after a means tested assessment, it is agreed you can't afford to pay the full cost of your care, Herefordshire Council will help pay for some of the cost of your care.

The council will only contribute towards the funding at an appropriate rate following a social care assessment of your needs. Some care homes may ask for an additional payment, known as a top-up or third party payment. So if you have previously made your own arrangements and are asking the council for funding assistance because your capital has now reduced below the upper capital limit, the council may only contribute a proportion of the total cost.

This means that if you are in a more expensive home and you choose to stay in that home, you will need to ask a third party (a friend or relative) to pay the difference or consider moving to a less expensive home. You must not use your own money to pay a third party payment.

What if I need nursing care?

If you need nursing care, the NHS will arrange to carry out a nursing care assessment, usually before you move in, and contribute some of the cost of your care.

Financial assessments

Once your social care worker has completed your assessment and it has been agreed you need to move into a care home, a welfare and financial assessment officer will contact you or your representative to arrange a meeting.

At the meeting the officer will take details of all your income and capital, including details of your home and other property you own. After the meeting you will be informed in writing of the amount you will need to contribute towards your care.

The amount you have to pay may change several times over the first few months as the rules for the way income and expenditure is treated during the first few weeks is complex. You will be notified of each change so that you always know how much to pay.

How much of my weekly income will be counted in the assessment?

Most of your income, including state retirement pension, private pensions and benefits paid by the Department for Work and pensions, is counted in the assessment.

Some income may not count, including part of any savings credit in pension credit, mobility component of Disability Living Allowance/PIP. You may also be able to leave your partner with 50 percent of any private pension income.

Any Attendance Allowance or care component of the Disability Living Allowance/PIP you receive will be counted in the financial assessment. However, these benefits may stop after you have been in care or hospital for four weeks. The benefits may also stop if you have spent 28 days in a combination of care home and hospital.

Only income and capital belonging to you will be counted in the assessment.

How much of my capital is counted?

All types of money, investments or savings you hold will be counted as capital*. If you hold capital in partnership with someone else, only the amount which belongs to you will be counted. Joint savings will be divided equally.

- If you have capital above the upper capital limit, the council will not be responsible for paying for your care. You will be expected to make your own arrangements, unless you are unable to manage your own affairs and there is nobody else who can manage them for you.
- If you have capital assets valued between the current lower and upper capital limits, we will assume you receive a weekly income from these assets at rate of £1 for every £250 held between these limits. This is known as Tariff Income and will be added to your other income to work out how much you should pay.
- If your capital is below the lower capital limit, it will not be counted in the financial assessment.



*the current capital limits can be found at the back of this booklet.

Will my partner have to pay anything towards the cost of my care?

No. The contribution you will be asked to make will be based on your own income, capital and savings unless your partner has agreed to pay a third party top- up payment. Joint savings or bank accounts will be treated as if they are shared equally between those named on the account.

What happens if I go into hospital?

You may continue to be charged for your stay in a care home if you are admitted to hospital. This is to make sure your room at the care home is available for you when you are discharged from hospital. Please contact us when this happens and we can tell you more about how long charges may continue to apply.

Can I gift money to my family?

Yes, so long as these are not large sums of money. You are not permitted to give money away or lose money if this results in the council being required to pay more as a result. If you are unsure you should contact the welfare and financial assessment team by email to financialassessments@herefordshire.gov.uk or phone 01432 383444.

Disposal of capital or property

If you deliberately dispose of a capital asset such as shares, money or property, in order to reduce your charge for care, the council can treat you as still having the asset and charge you accordingly.



The council will consider the following before deciding whether deprivation for the purpose of avoiding care and support charges has occurred:

- whether avoiding the care and support charge was a significant motivation;
- whether the person had a reasonable expectation of the need for care and support at the point the capital was disposed of;
- whether the person had a reasonable expectation of needing to contribute to the cost of their eligible care needs.

You are advised to obtain independent advice from a solicitor or financial advisor before making arrangements to dispose of your assets. Other organisations such as Age UK or SOLLA can give you information and advice.

How do I pay for care?

If you have asked for help and completed a financial assessment, the council will tell you how much you are expected to pay towards the cost of your care. This is called your client contribution.

We will let you know how to pay although we usually pay the care home the full cost for your care and send you an invoice for your contribution every 4 weeks in arrears. If your chosen care home charges you more than the amount the council has agreed to fund, the difference can be paid to the care home through a “top-up” agreement. This is usually paid by someone else and will have been explained to you when you were making the decision to live in a care home.

If you are in a short term placement you will receive bills from Herefordshire Council for your client contribution together with details of how to pay.

What if I need help with my finances?

If you rely on family or friends to manage your finances for you, you may want them to take responsibility for paying your care charges. The council will need to know about these arrangements and their legal standing.

Where can I get information about arranging a Property and financial affairs lasting power of attorney?

A lasting power of attorney (LPA) is a legal document that lets you appoint one or more people (known as 'attorneys') to help you make decisions or to make decisions on your behalf. You must be 18 or over and have mental capacity (the ability to make your own decisions) when you make your LPA. You don't need to live in the UK or be a British citizen. You can use this LPA to give an attorney the power to make decisions about money and property for you, for example: managing a bank or building society account, paying bills(include care home charges), collecting benefits or a pension, selling your home. It can be used as soon as it's registered, with your permission. Go to www.gov.uk/power-of-attorney for more information and to apply.



Top-up contributions

If you choose to stay in a care home that costs more than the council would normally pay, a friend or family member can make up the difference in price. This is known as a third party contribution.

Your right to choose a care home

If, following an assessment, you are eligible for social care support and need a care home, you have a right to choose the care home you live in, provided there is a vacancy, the home can meet your assessed needs and accepts the council's terms and conditions.

How much will the council pay?

Every year the council sets out the price it expects to pay for care: this is known as the usual price. You will be asked to make a financial contribution towards this amount.

Why might I need a third party contribution?

Some care homes charge more than the council's usual price. If you want to stay in a more expensive care home, a third party (friend, relative or organisation) will have to make up the difference in price. The payment they make is called a third party contribution or top up.

However, if the care home is a more expensive one but your needs cannot be met elsewhere, the council will pay the full price.

How does it work?

The care home, council and third party must all agree to the third party contribution. The third party must sign a legal agreement with the council which will set out how much they will need to pay, to whom, and how often.

A care home should not ask a resident, their family, friends or carers directly for a third party contribution: the council has to be involved and there must be a signed agreement in place. If this happens please let the Welfare and Financial Assessment team know immediately, phone (01432) 383444 or email

financialassessments@herefordshire.gov.uk

Before signing the agreement, the third party must be sure they can keep making the payments for as long as you are in the care home.

However, you are allowed to make a top up payment from your own funds if you are receiving S117 mental health aftercare services, or during the first 12 weeks of permanent care if you own property that is being disregarded during this period, or during a deferred payment period. This is called a first party top up. If you have any questions about how top-up contributions might affect you please email

financialassessments@herefordshire.gov.uk or phone 01432 383444.

Will the top-up contribution amount change?

Care homes can change their rates, but they must let the council know so that we can check whether the third party contribution needs to change.

What happens if the third party is no longer able to pay?

If the third party is no longer able to pay for whatever reason, you should contact the advice and referral team on (01432) 260101. You may have to move to a different care home where the rates are within the council's usual price. The council will seek to recover any unpaid contributions from the third party.



Property

The value of any property you own, or in which you have a share, will be treated as a capital asset. How it will be treated will depend on the type of care you are receiving.

Respite (short term) care – if you own the property where you are living, the value will not be counted for any temporary stays in a care home. Other property or land which you own or have a share in will be counted as capital.

Permanent (long term) care – if you own or have a share in the property where you are living and you have no other capital over the current capital limit, the value of your home will be counted as a capital asset. The council may agree to help with some funding for up to 12 weeks (this is called a 12- week property disregard). If you have been making your own arrangements, you have a property and your savings are nearing the current upper limit, you will need to contact the council to ask for help with ongoing payments. You can do this by ringing the advice and referral team on (01432) 260101.

If you no longer occupy your property the council will disregard the value of your home if it is occupied by your partner; a relative who is aged over 60 or is incapacitated; or a child under 18, for whom you are responsible, providing the property has been continuously occupied by any of these people before you went into a care home.

A property may also be disregarded to safeguard people for example when a relative moves into the property after you enter a care home. Where this happens the council will need to consider the timing and purpose of the move in deciding whether the property can be disregarded. The purpose of this disregard is to safeguard people from the risk of homelessness.

Other property or land owned or part owned by you will be counted as capital from the date you enter a care home.

The council may use its discretion to disregard the value of your home if it is the sole home of someone who has given up their own home in order to care for you before you moved into a care home.



Deferred payments (deferring part of the charges)

You will be asked to pay the full cost of your care if the value of your property takes your capital assets above the current upper capital limit.

If you are not in a position to pay the full cost, you can apply to defer part of the charge like a long term loan.

Under this arrangement, you will still need to make a contribution from your income to meet some of the cost of your care, but you will be allowed to keep some money to put towards the upkeep of your property. This is called the disposable income allowance. You can choose to keep less if you can afford to. The council will discuss this with you when you make your application.

You will be charged a small amount of interest on the amount owed to the council, and, in order to cover the council's costs, there will be a fee for setting the arrangement up.

If we agree to defer the charges, you will be asked to enter into a legal Deferred Payment Agreement with Herefordshire Council.

For more information, see our separate leaflet on Deferred Payment Agreements. To find out the current interest charges and fees, visit the council's website or email

financialassessments@herefordshire.gov.uk

Where to get financial advice about paying for care?

It is sensible if you have savings, property or a payment you want to invest to get independent financial advice. When you choose a financial adviser, you should find out if they are qualified and accredited to give you advice

Independent financial advisers

All IFAs should be registered with the Financial Conduct Authority (FCA) who regulate the financial services industry in the UK www.fca.org.uk. This means IFAs meet the right standards and you get more protection if you are not happy with the service, including the right to complain to the Financial Services Ombudsman and potentially be eligible for compensation if things go wrong.

If a financial Adviser is not registered with the FCA, you can make a complaint to the FCA. To check a financial Adviser is registered with the FCA see www.fca.org.uk.

The Adviser must explain to you how much their advice will cost and should set out the charges in a clear way, ensuring you understand how much you are paying and what for.

There may be extra charges for looking after your investments or providing advice on a regular basis.

Finding an independent financial adviser

The Financial Services Register

www.fsa.gov.uk/register/home.do is a public record of all the firms, individuals and other bodies that the FCA regulate. The Register also lists individuals who are approved to carry out particular functions, and other bodies. The FCA must approve an individual before they are able to conduct certain types of business, such as selling or advising on investments like personal or stakeholder pensions, life assurance policies, shares or collective investment schemes.

On line search sites

PayingForCare, a not for profit company for those seeking advice and guidance on the cost of elderly care.

See www.payingforcare.org

Later Life Advisers (SOLLA) is a not for profit organisation and aims to assist customers and their families in finding trusted accredited financial Advisers who understand financial needs in later life. The Society has an on line search facility to accredited Later Life Advisers within a fifty mile radius of a given postcode.

See www.societyoflaterlifeadvisers.co.uk

SOLLA links those who need advice to an accredited Later Life Adviser who can advise on:

- Equity release
- Long term care funding
- Pensions and annuities
- Investments and savings
- Tax planning (IHT)

Unbiased at www.unbiased.co.uk provides an on line search facility for independent and restricted 'whole of market' Advisers on their website. Restricted 'whole of market' means Advisers who can offer available products from all companies, so are not tied to a particular product or provider but who may specialise in a particular area.

All Advisers are registered with the Financial Conduct Authority (FCA) and the site only lists Advisers who are independent of product providers.

Solicitors for the Elderly

(SFE) at www.solicitorsfortheelderly.com is an independent, national organisation of lawyers, such as solicitors, barristers, and legal executives who provide specialist legal advice for older and vulnerable people, their families and carers. The main areas of law members cover are:

- Making a will
- Powers of attorney
- Living wills
- Tax planning
- Asset preservation
- Trusts
- Probate
- Paying for care
- NHS continuing care funding
- Will disputes
- Court of protection
- Elder abuse

This site helps people to search for a solicitor in their area to see if they specialise in the particular area of law they are interested in.

National sources of Financial information and advice

Age UK www.ageuk.org.uk offers a range of financial products and services for the over -50s, helping people plan for later life, If you would like further information on equity release or equity release providers you can visit the Equity Release Council website www.equityreleasecouncil.com

Carers UK www.carersuk.org/ support carers with benefits checks and give advice on financial and practical matters related to caring. They have a listening service for carers to talk through their caring situation and how it makes them feel. The advice line (0808 808 7777 is open Monday to Friday, 9am -6pm.

The Citizens Advice Bureau website

www.adviceguide.org.uk Local CABs are independent local charities that aim to help people resolve their legal, money and other problems by providing free, independent and confidential advice. To find CAB in a particular area go to www.citizensadvice.org.uk/index/getadvice.html

Disability Rights UK www.disabilityrightsuk.org
Email: independentliving@disabilityrightsuk.org

Independent Age www.independentage.org provide an advice and information service offering expert personalised support by phone and email to older people and their families. Their advice on social care provision includes care options and assessments, finding and paying for care, funding concerns and making a complaint. They also provide a range of free publications and detailed information guides and Wise Guides offering practical information and advice for over 65's on finances, staying independent and getting the most out of later life. To contact an expert Adviser call 0800 319 6789 (Monday to Friday 8.30am to 6pm) or email advice@independentage.org

FirstStop Advice www.firststopcareadvice.org.uk is an independent, impartial and free service provided by the national charity Elderly Accommodation Counsel (EAC) in partnership with local and national partner organisations. The service is for older people, their families and carers. It aims to help them get the help or care they need to live as independently and comfortably as possible. The website provides information on paying for care, equity release, benefits and other financial help and provides details of local SOLLA (Society of Later Life Advisers) member advisers.

The Advice Line is a free, professional, confidential and independent service. It is open Monday 8am to 7pm and Tuesday to Friday 8am to 6pm. Calls are free from BT phones on 0800 377 7070.

Managing your money

The Money Advice Service

www.moneyadviceservice.org.uk is a free, independent service. Their website has lots of useful information to help you manage your money including borrowing money, savings and pensions and getting financial advice.



Further information and useful contacts

Independent advice

Age UK	0800 008 6077
SOLLA (Society of later Life Advisor)	0333 202 0454
Citizens Advice Bureau	0844 826 9685

Help with benefits

Pensions Credit or State Pension	0800 731 0469
Attendance Allowance	0800 731 0122
Disability Living Allowance	0800 121 4600
Personal Independence payments	0800 121 4433
Universal Credit	0800 328 5644
Housing or Council Tax Reduction	01432 260333

benefits@herefordshire.gov.uk

New claims

Pensions Credit	0800 99 1234
Attendance Allowance	0800 731 0122
Personal Independence payments	0800 917 2222
Universal Credit	www.universal-credit.service.gov.uk

Visit the Better Off website BetterOffHerefordshire for more information about benefits and how to claim them.

Council Charges whilst in a Care Home

Rates apply from April 2024

The amount you will be charged towards your care and support will depend on your financial assessment. If you have been told you will have to pay the full cost for your care, the amount you will be charged will be the amount the council pays the care home.

Charges will vary depending on what the council has agreed to pay, but the usual rates the council will pay are shown below.

Residential Care £642.02 Nursing Care £732.35

Care Homes funded through block contract with Council

Prices vary according to the provider, if you have been told you should pay the full cost, you will be provided with the amount you need to pay when you are told the outcome of your financial assessment.

Third Party Contributions – Top-Ups

If you choose to stay in care home that costs more than the council would normally pay, a friend or family member can make up the difference in price. This is known as a third party contribution or top-up payment.

The third party must sign an agreement which sets out how much the third party needs to pay, to whom and how often.

If Herefordshire Council is funding your care, the care home should not ask you, your family, friends or carers directly for a top-up contribution: The council has to be involved in any agreement for top-ups. If this happens please let the Welfare & Financial Assessment Team know immediately by sending an e-mail to financialassessments@herefordshire.gov.uk or phoning 01432 383444.

If you want more information about how the council can help with funding care in a care home or you have any questions you can email financialassessments@herefordshire.gov.uk or you can phone 01432 383444.

Capital Limits whilst in a Care Home

Rates apply from April 2024

Higher Capital Limit

If you have savings, capital investments and /or property or land worth over £23,250 you will pay the full cost for your residential or nursing care.

Lower Capital Limit

If you have savings and capital investments over £14,250, for every £250, or part of £250 you have over this amount, £1.00 will be added to your weekly income when we work out how much you will be asked to pay. We call this Tariff Income.

If you have savings and capital investments below £14,250 these are disregarded for the purposes of the financial assessment. Our booklet "Moving into a Care Home, How much will I have to pay?" explains that you will be asked to pay towards any residential or nursing care service arranged by Herefordshire Council. How much you are charged depends on your financial situation. A financial assessment will be carried out so that we can calculate how much you should pay.

Allowances for Care in Care Home

Personal Expenses Allowance

People in a care home will contribute most of their income, excluding earnings towards the cost of care and support, but the council must leave them with £30.15 of their own income each week so that the person has money to spend on personal items, such as clothes or toiletries (less any Tariff income).

Disposable Income Allowance

If you asked the council to pay your care costs through a Deferred Payment Agreement, you will still need to make a contribution from your income to meet some of the cost of your care but you will be allowed to keep £144 per week towards the upkeep of your property (after taking into account any Tariff income). This is called the Disposable Income Allowance. You can choose to keep less than this per week if you can afford to and we will discuss this with you when you make your application.

If you would like help to understand this document,
or would like it in another format or language,
please call 01432 383444 or
email financialassessments@herefordshire.gov.uk