

Financial implications of moving into a residential care home



This leaflet tells you about the costs of moving into a residential care home. It also explains how we will work out how much you will be asked to pay towards the costs of your care if you can afford to make a contribution.

Costs

If you are moving into a residential care home, we will assess your financial situation to work out how much you should pay towards the cost of your care. This is called 'carrying out a financial assessment' and it will be done by your social worker or care manager.

The amount of money you have to pay is called 'your contribution'. We will use nationally agreed rules to work out how much your contribution should be. These rules take two things into account - your income and any capital you may have.

Income

Usually, we will take most of your personal income into account when we are assessing your income, including:

- your retirement pension;
- any occupational or work pension you may have; and
- most of any social security benefits you receive.

However, we may 'disregard' some of this income, which means that you will

be able to keep it and it doesn't count as part of your income. For example if you receive the mobility component of Disability Living Allowance (DLA) you will be able to keep this.

When your social worker or care manager is helping you to complete your financial assessment, they will be able to tell you if some of your income will be disregarded. And once all the calculations have been completed, your social worker can tell you how much of your income you will keep for your personal expenses. This is called your personal allowance.

Your personal allowance will be at least £25.05 each week, but it may be more depending on your income.

Capital

We will also take the amount of any capital you may have into account as part of your financial assessment.

Capital includes:

- savings;
- investments;
- stocks and shares (valued by a broker);
- property (we explain more about this in the Property matters section below); and
- any other income you may have.

This list does not include every example, so please speak to your social worker if you have any questions.

The Government sets an upper and

lower limit of how much capital you can have before it affects how much you have to pay for care home charges. Under these limits, we will ignore all of your capital up to the value of the lower capital limit, which is currently £16,250. You are free to use these funds as you choose.

You should do everything you can to make sure you pay your care home fees on time. We will consider any reasonable expenses you have as part of settling into your new home as necessary expense, but if you intentionally reduce your capital, you will have to pay full charges. The upper capital limit is currently £26,250, and if you have capital above this limit we will expect you to pay for your care from your own money. However, you may be entitled to apply for free personal or nursing care allowance (or both), so you should ask your social worker or care manager about this.

Your social worker or care manager must see evidence of your capital before they complete your financial assessment form. Examples of evidence would be bank books, shares certificates and so on. If you do not want to give this information, you can choose to pay for your care independently – from your own money.

However, if we confirm that you will be funding your own care ('self-funding'), you may opt out of having the financial assessment if you would prefer.

If the level of your capital falls between the upper and lower limits, we will expect you to put some of it towards your care costs. The amount you pay will be on a sliding scale of charges until your capital reduces to the lower capital limit. At the moment, this is an extra £1 a week for every £250 (or part of £250) that you have over the lower limit. An example would be that someone with less than £16,250 capital and on a basic level of income may be charged around £126.15 a week. However, if they had capital of £16,500, they would be charged around £127.15 a week.

We would advise you to discuss the above information with your social worker or care manager, who will be happy to answer any questions you may have.

Property matters

By law, Social Work Services must include any property you own, including your home, as part of your capital if you are going into a care home. We also have the right to make enquiries about the ownership of privately owned property.

However, there are a few exceptions to this. For example, we will not include the value of your property as part of your capital assets if:

- you own your property and it continues to be occupied by your husband, wife or partner, or a relative who is 60 years old or over or who is generally unable to manage their own financial affairs.

If your circumstances change, you must tell our Social Work Finance department as we may need you to complete a financial reassessment.

If you own the property and so are classed as self-funding, there are a number of options open to you.

12-week disregard

The law states that you can have the value of your property not counted, or 'disregarded', for the first 12 weeks of your stay in residential care, as long as you have less than the upper capital limit (currently £26,250). This is called the '12-week disregard'. You need to apply for this, and your social worker or care manager can give you the relevant form and help you fill it in if necessary. If the property is sold within the first 12 weeks, the disregard stops from the date of the sale.

Deferred payment scheme

Rather than sell your property in advance to meet your accommodation costs, you can enter an agreement with us to have part of your fees paid and the balance settled from your estate. This only applies if you have capital under £16,250. This will grant us a standard security over your home to cover the deferred amount. However, you will need a solicitor to arrange this for you. If you would like to use the deferred payment scheme, please write to Social Work Finance at 40 John Street, Glasgow, G1 1JL.

Temporary funding

We can continue to pay a contribution towards your accommodation costs for a temporary period and recover this from the sale of your property or your estate. This is different from the deferred payment scheme because you will be expected to actively take steps to sell your property. During this period a charging order will be placed over your property, which means that when your home is sold we can make sure you pay us back the value of our temporary financial help. However, you may want to get independent advice from your solicitor or another professional adviser.

We would advise you to discuss the information in this leaflet with your social worker or care manager. They will be happy to answer any questions you may have.

If you would like this leaflet in a different format, such as large print, Braille or tape, or in a different language, please contact our Communications Unit at sw_communicationsunit@glasgow.gov.uk for advice.