

# Money Matters

金錢問題 — 一般資訊

پیسے کے معاملات - عام معلومات

টাকাপয়সার বিষয় - সাধারণ তথ্য

مسائل مالية - معلومات عامة

**General information**  
Moving into a care home

# Money Matters - *General information*

**Community care is about helping people to live as independently as possible in their own homes or in other accommodation in the community, which might mean moving into a care home.**

**An assessment will be carried out by someone who will discuss with you what kind of needs you have and what services would meet those needs.**

## **Your choice of home**

Social care staff will tell you about the homes that are available and, if you wish, will help you choose which home is best for you. You should be aware that the number of people looking for a place in a home at any one time is often greater than the number of places available, so it is important to be realistic about your choices. You will be guided by your social worker to consider homes that have places.

Your choice will be very important and, normally, care will be arranged where the balance of the cost, after your contribution has been made, can be met from the level of fees that the Health and Social Care Department will pay. If you are assessed as needing to live in a care home your finances also have to be assessed and you will be advised of the contribution which, by law, you are required to make towards the cost of your care. If you cannot meet the full cost you may be able to move into a care home because we may be able to help financially.



## **Third party contributions**

If the cost of a care home is higher than the local authority can pay then a third party, not you, will have to pay the additional cost. This is known as a third party payment.

## **Additional service charges and extras**

A care home can make a charge for additional services and goods provided these have been agreed with the Council. Details of the agreed additional charges can be found in the care home's introductory brochure. A care home may also charge for extras not included in the service charge if you agree to receive these.

## **What will it cost to move into a care home?**

The cost of staying in a care home varies. You will be required to contribute to the cost whether your stay is temporary or permanent, including any time when you are away from the home but your bed is kept for you. There will be no reduction to your assessed level of financial contribution. Please see also the section *Hospital admissions from care home placement* on pages 9 and 10 of this leaflet.

The exact amount you will pay depends on an assessment of your income, your savings, and, in the case of permanent residents, the value of your property, if you have any. Since 1 July 2002, those over 65 can apply for free personal and/or nursing care. Free nursing care may also be available for those under 65. If you are eligible for financial help, we will tell you how much we will pay and make sure you know how much you will pay, before you move.

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You should ask for advice about costs and methods of payment. Your lawyer, financial adviser or the Citizens Advice Bureau will be able to advise you on financial matters. Your social worker can also help.

For more detailed information about your financial assessment and your property see the leaflet *Money Matters - legal information*.

## **How much will I have to pay?**


If you have pension(s) and state benefits but no savings worth more than £12,500 in total, then you will pay most of your state pension, all of any other pension and all of most benefits, except mobility allowance, towards the cost. The amount the Health and Social Care Department can contribute to your care home fee(s) will reflect your assessed entitlement to free personal or nursing care. This also applies to planned or emergency respite care.

In some cases residents may agree, in writing, that 50 per cent of their private or work pension can be paid to a spouse who continues to live at home. However, this may affect any benefits they receive so you should discuss it with the Department of Work and Pensions.

Everyone retains a weekly personal allowance to spend as they choose on items of a personal nature, including clothes.

## **Tariff Income**

If you have savings or capital over £12,500 but less than £20,750 we will ask you to pay, in addition to your pensions and state benefits, £1 per week for every £250, or part thereof, above £12,500.



Having moved into the care home you have chosen, you are advised to apply to the Benefits Agency for Income Support, which is means tested, once your capital falls below £16,000. The Benefits Agency will take into account any capital you may have until it falls to £10,000.

### **Self-Funder**

The gross cost of the care home is made up from Income from pensions, Income from free personal and nursing care with the remaining balance being met from Capital

## **What happens to my property?**

### **Twelve weeks disregard of property**

Anyone who has been assessed by the Health and Social Care Department as needing to live in a care home and who, apart from their property, does not have income or other assets above £20,750 will receive limited financial support from the local authority for a period up to 12 weeks from the date of entering the care home. If you fall within this category, you are free to choose a care home which is more expensive than the local authority will normally be able to afford. The Health and Social Care Department will pay you directly the amount of the assistance which you are eligible to receive and this will be paid in two amounts, at six weekly intervals. However, if you sell your property within the 12 weeks, this assistance will end from the date of the sale. In these circumstances, you will be required to make your own arrangements for payment of the additional costs to the care home.

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The current market value of any property you own will be included in the calculation of the amount you need to pay from the 13th week of your stay.

**In circumstances where you may have previously owned property, the Health and Social Care Department has the right to consider the effect of this on your ability to pay for care.**

However, if your stay in a care home is temporary and you firmly intend to return to live in your own house, the value of your property will not be taken into account. The Health and Social Care Department makes a standard allowance for other expenses which you may have for the upkeep of the property or other commitments at home.


If your spouse, partner or other specified person for whom the resident has a responsibility continues to live in the house, and ownership of the property remains unchanged, its value is not included.

If someone else who has been caring for you is living in your house this **MAY** also mean the value is not taken into account. When considering such an arrangement you will need to bear in mind the cost of the long term upkeep of the property.

## **Will I have to sell my property?**

### **Self-Funder**

If you are thinking about entering a care home and own property, most likely your house, it is probable that you will be eligible for financial assistance from the Health and Social Care Department with your care costs limited to £145 for personal care or £210 for personal and nursing care. This is because your property is likely



to be valued in excess of £20,750 which is the upper limit for receiving financial assistance.

It is a private matter for you what you do with your property but we will have to take the value of your property into consideration when assessing your contribution towards your care costs.

## **When will I be eligible for local authority financial support towards my care costs?**

If you have been assessed at full cost or self-funding for your care home fees the care home will receive your assessed entitlement to free personal and/or nursing care on your behalf.

You are entitled to ask for a financial reassessment at any time. However, when your capital falls to the upper capital limit, currently £20,750 you should contact the Health and Social Care Department and ask for a financial assessment to be carried out. You will be asked for copies of all documentary information relating to your income from benefits, pensions, trust funds etc. from the time you were admitted to the care home. You will be asked to produce copies of your bank and building society statements.

You will also be asked to produce receipts for incidental expenditure incurred whilst funding your own care costs.

Following a financial assessment you will be advised when local authority funding could be made available. Please refer to *How much will I have to pay* on page 4 of this leaflet.

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## Deferred Payment Agreement

As a self-funder with capital below the lower threshold level of £12,500 and property excluding the value of your property this situation may present you with a problem as to how to meet the costs of your care. You may decide that the one way to meet your ongoing care costs is to sell your property and use the proceeds for the purposes of your care.

If you decide to enter the care home before you have sufficient funds available to meet the weekly cost, you will need to consider how to resolve this problem.


Since 1 July 2002 deferred payment agreements allow someone moving into a care home to defer the sale of their property and to enter into an agreement with the local authority to have part of their fees paid and for the balance to be settled from the sale of their home.

A deferred payment agreement will be a legal agreement between the local authority and the individual, which defines the portion of the person's care home fees to be deferred, and provides for the granting to the local authority of a standard security over the property to cover the deferred amount.

**There are clear eligibility criteria so there must be discussion with the Health and Social Care Department involved in the care home placement before a deferred payment agreement can be authorised.** Your lawyer should request, in writing, that the Council give consideration to a Deferred Payment Agreement on your behalf.

Other possible courses of action are as follows:

- 1 You should make application to the Benefits Agency for temporary assistance in the form of Income Support towards



your care costs for a limited period until your property is sold. The Benefits Agency will need to be satisfied that you have decided to sell your property and have taken all reasonable steps to achieve its sale.

The amount of money available to you from the Benefits Agency is unlikely to cover the total fees for the care home. You would need to consider how to resolve this problem.

- 2 You, or your representative, for example, lawyer or relative, may be able to negotiate and reach agreement with the management of the care home of your choice so that the home will wait for a while to collect your full contribution. This is entirely a matter for agreement between you and the home.
- 3 You, or your representative, may be able to arrange a formal short term loan, for example, from a bank or building society, to be repaid when you have money from the sale of your property.

Almost everyone who owns property has a lawyer. However, if you do not have your own lawyer, your social worker can put you in touch with a lawyer. The costs of their services, however, will be your responsibility. Whatever course of action you anticipate taking, it is in your best interests to consult a lawyer.

## **Hospital admissions from care home placement**

- **Placement must continue to be paid for.**

Residents who are admitted on a short-term basis to hospital and who have had their bed kept for them, awaiting their return to the care home, are expected to continue to meet their assessed charge.

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## **Charges will not be reduced when the resident is in hospital.**

Until such time as the placement is formally ended the resident will be expected to meet their full-assessed charge.

- **Free personal and/or nursing care stops after 14 days.**

Free personal and/or nursing care payments, (private and voluntary sector) or charge reductions (local authority care homes) will stop after two weeks in hospital - 14 days.

**From the third week - day 15** - residents are expected to **meet the full cost** of their placement or what they have originally been assessed to pay. Entitlement to free personal and/or nursing care will start again when the resident returns to live at the care home.

Reference should be made to the leaflet *Free Personal and Nursing Care in Care Homes*.

## **Longer term issues**

From the time you begin to need or consider care, the law does not allow you to give away sums of money, for example, to a relative or a charity, in order to pay a lower charge for your accommodation. The Health and Social Care Department has the right to continue to base your charge on the amount of money you had at the time you first needed to consider care. Should you wish to give away, after that point, sums of money which will reduce your savings you should seek advice from the Health and Social Care Department before taking any action.



## **Making gifts**

Every year you will be free to give small gifts, for example, to immediate family members for birthday presents or gifts to charities, from your capital or income **AFTER** you have met the costs of your care. If you are in any doubt, please consult the Health and Social Care Department.

## **How will I pay the bill for the care home?**

Before moving, you will be asked to agree how you will pay your share to the care home. Each care home has its own procedure for this and will discuss it with you fully. Once you have agreed, this will be written into a contract, which you will be required to sign. Never sign anything until you are completely satisfied with every detail. If in doubt, always ask for help from a lawyer or some other professional person you know and trust.

You may wish to continue to handle your own money. If not, you can authorise someone to be your agent to draw your pension or allowance.

## **What money will I have left to spend?**

A certain amount of your pension or allowance is yours to buy personal items like clothes, shoes and toiletries. The exact amount is decided by Parliament and usually revised each year to take account of the rise in prices (currently £20.45 per week).

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## **What if my financial circumstances change?**

If your capital or income goes up you may have to pay a greater share of the costs of your care. If your capital or income reduces you will pay less. In either of these circumstances you must tell the Health and Social Care Department of the change if it is contributing to the cost of your care.


If you have chosen to live in a home that is more expensive than the Health and Social Care Department would normally pay and your circumstances change, or the people or the organisation helping to fund your care can no longer help, we will need to reassess your care needs. If you need a long term home we will help you find somewhere where the costs can be met by the Health and Social Care Department.

There will be an annual review of your circumstances. This will give you a chance to look ahead and anticipate any changes, which might be necessary to your care arrangements.

## **Insurance**

Before going into a care home it is sensible to consider giving any valuables not in everyday use to a close relative or friend for safekeeping. You may want to bring some of your personal possessions with you and you will need to make your own arrangements for insuring them. This is because it is not possible for the home to consider claims for loss, theft or damage to personal belongings. More details about this should be obtained from your social worker or manager of your care home.

It is not safe to keep large amounts of cash in your possession because of the risk of loss. If you do not already have a bank



account you are advised to open one. The Health and Social Care Department may be able to help you with this.

## **Making a will**

A will is a commonsense and legal way to ensure that any possessions you have are given to the people you wish to pass them on to. Without a will, this may not happen. If you wish, your social worker or manager of your care home will advise you about finding a lawyer to help you with this. Your will should be given to your bank or lawyer for safekeeping.

## **Funeral arrangements**

This is something everybody has to think about at some time and if you have any special wishes, it is better to let others know. You could write them down and give them to your next of kin or a close friend. For example, you may have reserved ground for burial, or you may wish to be cremated, or to have a particular kind of funeral.

The Health and Social Care Department will make the necessary funeral arrangements for anyone who is a client at the time of death if there is no other responsible person to make the arrangements or insufficient personal funds to provide for a funeral.

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## Further information

Community care practice teams are based in Social Work Centres throughout the city and at the following hospitals:

Western General  
Hospital  
Crewe Road South  
Edinburgh  
EH4 2XU  
Tel: 537 1412


Royal Infirmary  
51 Little France  
Crescent  
Edinburgh  
EH16 4SA  
Tel: 242 7850

Royal Edinburgh  
Hospital  
51 Morningside Place  
Edinburgh  
EH10 5HF  
Tel: 537 6293

For first time contact with adult  
social care services in  
Edinburgh please contact

**0131 200 2324**





The financial information mentioned in this leaflet was correct at the time of going to print but should always be checked with your social worker or Social Care Direct as it is subject to revision by central government.

You can get this document on tape, in Braille, large print and various computer formats if you ask us. Please contact Interpretation and Translation Service (ITS) on 0131 242 8181 and quote reference number 04412. ITS can also give information on community language translations.

如欲查詢本文件的翻譯資訊，請電愛丁堡市議會傳譯及翻譯服務部 (ITS)及說明檔案編號 04412，電話：0131 242 8181。

اپنی کمیونٹی میں بولی جانے والی زبان میں اس دستاویز کے ترجمے کے بارے میں معلومات کیلئے براۓ مہربانی انٹرنیشنل اینڈ ٹرانسلیشن سروسز ITS کو 0131 242 8181 پر ٹیلیفون کریں اور ریفرنس نمبر 04412 کا حوالہ دیں۔

আপনার সম্প্রদায়ের ভাষায় এই দলিলপত্রের অনুবাদের ব্যাপারে যদি তথ্য পেতে চান তাহলে ইন্টারপ্রেটেশন এ্যান্ড ট্রান্সলেশন সার্ভিস এর সাথে 0131 242 8181 নম্বরে যোগাযোগ করে রেফারেন্স নম্বর 04412 উল্লেখ করুন।

إذا كنتم ترغبون في معلومات عن ترجمة هذا المستند الى لغة جاليتكم نرجو الإتصال هاتفيا بمكتب الترجمة (ITS) على الرقم 0131 242 8181 و ذكر رقم الإشارة 04412

For first time contact with adult social care services in Edinburgh please contact

**0131 200 2324**

**SOCIAL  
CARE  
DIRECT**

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