

Moving into a Care Home A guide to Financial Assessment and Charges 2024/2025

Fact Sheet 2

(December 2024)

Introduction

On 6th April 2016 the Social Services and Well-being Act (Wales) 2014 was introduced. Part of the Act aims to introduce more consistency in charging to reduce the wide variation in charging arrangements, and in the level of charges, that existed between Local Authorities in Wales. Local Authorities have the discretion to decide whether to charge for services, to decide which services to charge for and the amount to charge for each service.

How much will it cost?

The Council reviews the services that it charges for periodically and reviews the charge for each service at least annually.

The costs will depend on your assessed care needs and type of stay or placement. The different types of stays or placements are as follows:

- **Respite/Short Term Care** – Respite/Short Term care is a planned, or unplanned short stay in a care home, which at the point of admission is unlikely to exceed 8 weeks. The level and duration of care and support to be provided will be as a result of your needs assessment and the admission can be for any reason, e.g., to give your carer(s) a break. Respite/Short Term care is charged under the Non Residential charging rules for the duration required as a result of your needs assessment, up to 8 weeks (please see Fact Sheet number 1 - Non Residential Social Services - A guide to Financial Assessment and Charges) and if it exceeds 8 weeks, or it is determined before the end of the 8 week period that a temporary/permanent placement is required then the charging rules for temporary/permanent stays (whichever is applicable) in a care home are applied from this point (see overleaf).



- **Temporary stay** - Temporary stays relate to a period of care where it is anticipated that you will be able to return to your own home sometime in the future. Your temporary stay is likely to exceed 8 weeks but can be less and can last for up to 52 weeks. The charge will be based on the same rules for permanent residents (see below), except that if you own a property, the value of your main residence will not be taken into account for as long as you remain temporary, up to a maximum of 52 weeks. However, if you own another property or if you own land then the value of this asset would be included in the financial assessment from the first day of the placement.
- **Permanent stay** - a permanent stay is an admission to a care home when it is anticipated that you will need to remain a resident indefinitely. If you are subsequently able to return to your own home, then in certain circumstances the temporary rules will be applied retrospectively.

How much will I have to pay for my residential care?

There is no one simple answer. It will depend on the type of care you are assessed to receive and the cost for providing this service. It will also depend on your capital (including property) for a permanent and temporary placement, if applicable, income and allowances/disregards/expenses and whether it is a permanent or temporary placement. The actual amount you will pay will be determined from the financial assessment (means test). Nobody will pay more than the full cost of the placement at the care home.

You will be charged from the first day of the placement, however the first invoice for care charges will not be issued until you are provided with a statement detailing how the charge has been calculated. *As a result, you will need to save your benefits and income from the date that you go into the care home, as most of these will need to be used to pay towards the cost of the care home.*

How is the charge worked out?

Service users will be invited to have a personal financial assessment to determine how much they will be charged for the placement. Service users with capital (including property in most instances) above the maximum capital threshold (see page 14 of this Fact Sheet) will be assessed to pay the full cost of the placement; however, service users whose assets are below this level will always be asked to pay a charge and this will normally be based on all of your income, less certain disregarded income and the Minimum Income Amount (please see page 14 of this Fact Sheet) towards their care costs.

What if I do not want to disclose my assets?

You can choose not to disclose your assets, in those instances you will be asked to pay the full cost of the placement. The full cost will depend on your assessed care needs and type of stay and may include an Additional Cost (please see page 7 of this Fact Sheet). You will be able to claim Attendance Allowance/ Disability Living Allowance – Care Component/Personal Independence Payment – Daily Living (usually at the higher rate) to help pay for your care and support if you choose not to disclose your assets, as we assume that you have sufficient income/assets to pay the full cost of your placement.

Capital

The Welsh Government announces a capital threshold each April and the current figure is shown on page 14 of this Fact Sheet.

If your assets (including savings, current accounts, investments, and property, if applicable) are over this figure then you will be asked to pay the full cost of the placement until the level of your assets falls below this figure at which time a new financial assessment will be undertaken and a new charge will be calculated. The full cost will depend on your assessed care needs and type of placement. The charge may include an Additional Cost where your care home of choice has a higher charge than the Authority has agreed (see page 7 of this Fact Sheet). You will be able to claim Attendance Allowance/Disability Living Allowance – Care Component/Personal Independence Payment – Daily Living (usually at the higher rate) to help pay for your care and support if your assets exceed the capital threshold.

Some forms of capital may be excluded when determining how much capital you have and for further information on this, please contact the Financial Assessment Team (contact details as per page 12 of this Fact Sheet).

If your capital is under the threshold amount, then this will be ignored during the financial assessment and any charge will depend only on your income and expenses/allowances.

Income

In the majority of cases all of your income from whatever source will be included in the financial assessment. *You will need to save your benefits and income from the date that you go into the care home, as most of these will need to be used to*

pay towards the cost of the care home. In some circumstances however, elements of income may need to be disregarded, or, allowances applied, to reduce the income that is included in the financial assessment. In all cases you will be able to retain the Minimum Income Amount (please see page 14 of this Fact Sheet).

Allowances or Disregards

Within a personal financial assessment there is always an amount of money that cannot be available to pay a charge, known as the Minimum Income Amount – MIA (please see page 14 of this Fact Sheet) and this is set by the Welsh Government every year.

In addition to the MIA some other sources of income may be fully or partially disregarded. Please see examples below:

- Any employment earnings
- Child Benefit
- Christmas Bonuses
- Disabled Person's Tax Credit
- Income Tax and National Insurance
- Mobility component of Disability Living Allowance and Personal Independence Payment (as opposed to the care component) and War Pensioner's mobility supplement
- Paid expenses at work
- Payments to Far Eastern former POW's and Vaccine damage payments
- The first £10 of War Widows/Widowers pensions, survivors Guaranteed Income Payments from the Armed Forces Compensation Scheme, Civilian War Injury pension and payments to victim of National Socialist persecution
- The value of your home/main residence (for Short Term stays and for Temporary stays for up to 52 weeks)
- War Widows Supplementary Pension
- Winter Fuel Payments
- Working (families) Tax Credit
- War Disablement Pension
- Up to the first £5.75 of Savings Credit
- 50% of a private/occupational pension where you give at least 50% of the pension to your spouse/partner for their living expenses

Can I give any of my assets away?

If you gave away savings, money or other assets or sold a property at less than its market value before receiving care, or whilst receiving care, then we may assess

you as though you still have the full value of the asset. The person who benefits may become liable for any unpaid charges.

We will ask you about the timing, reason, recipient, and monetary value of the transfer and use this information to base our decision on whether the asset is included or disregarded from the financial assessment.

Do I need to tell you about any change?

You should inform us if you get an increase or decrease in your benefits/income, if you get any new benefits/income, if you benefit from an inheritance or any other transfer, or if your savings/capital has gone above or falls below the maximum capital threshold (see page 14 of this Fact Sheet for current capital threshold) or if you incur new or additional expenses as a result of a change in your care needs.

Arrangements for Financial Assessments

Everybody who is placed in a Care Home by the Council will be offered a financial assessment to calculate the charge for the placement. You have the option to decline, in which case, you will be asked to pay the full cost of the placement current at the time.

If you agree to a financial assessment then this may take place in your own home, or at the care home to ensure privacy or a private interview can be arranged at a convenient council office. A relative or friend can be present or represent you if you wish. If you do not handle your own money matters, then the person who does this for you can complete the form on your behalf.

It is important that you do not pay more than you should for the placement. By looking at your finances we can make sure that your charge is correct and also that you are receiving all of the benefits that you are entitled to. Help, if needed will be given to complete any form(s) that is/are required to claim any Department for Works and Pensions/Job Centre Plus benefit entitlement.

We will ask to see any supporting financial documents and we will need to make copies of the financial documents that we use so that we have an accurate record of your finances at the time of your financial assessment. We have procedures in place to make sure your privacy is protected.

If you knowingly make a false statement on the assessment form to reduce or avoid liability to pay charges, or, if not all financial circumstances are disclosed, you may be charged the full cost of the placement provided.

After-care services provided under Section 117 of the Mental Health Act 1983 may not be charged for.

Service users placed into a Care Home who suffer from any form of CJD, which has been diagnosed by a Registered Medical Practitioner will not undergo a financial assessment and will be treated as automatically exempt and receive a free service.

Will my husband/wife/partner have to pay anything towards my care?

The financial assessment is based only on your own assets including your share of joint assets.

The financial assessment will be carried out on the person who is to be placed at the Care Home. Only income and capital to which that person has a right are considered. Where capital/investments etc. are held jointly with another they will be apportioned equally, or on the basis of entitlement if the information provided reflects something different. Where benefits are paid in respect of a 'couple' then the amount paid for the person who receives a service will be taken into account in the financial assessment process. We will disregard 50% of a private/occupational pension where you give at least 50% of the pension to your spouse/partner for their living expenses.

If your spouse/partner continues to reside at home then the property will be disregarded for assessment purposes whilst they continue to live there, however this decision would be reviewed should their circumstances change. The Council will endeavor to ensure that your spouse's/partner's income does not fall below a certain level set by the Department for Works and Pensions/Job Centre Plus. A financial assessment will be offered for the other person(s) living in the house.

How much will I have to pay if I am assessed as needing Nursing Care?

If you have been assessed as needing nursing care the National Health Service will pay a weekly amount towards your nursing care fees, and this amount will be paid directly to the care home. This amount is shown on page 14 of this Fact Sheet. This only applies to care homes in Wales; arrangements are different if you move into a care home in England or Scotland.

You will be offered a financial assessment to determine the charge for the 'Social Care' element of your placement and the amount you are assessed to pay will depend on your income, assets, and expenses, as described previously.

How much will I have to pay if I am assessed as needing Continuing Health Care?

In some circumstances, your health care needs will be such that the Health Authority will accept responsibility for the full cost of the placement under the Continuing Health Care arrangements, in this situation you would not be asked to make any financial contribution.

Additional Costs – (sometimes known as AVC or Top Up)

The authority has standard fees which it pays a care home, depending on your assessed care needs.

If you choose a more expensive care home than the two care homes offered at the time of placement, i.e. where the care home chosen charges a weekly fee that is higher than the fees required by the two care homes offered to you, then you can only fund the Additional Cost yourself if you have a property and can enter in to a Deferred Payment Agreement (please see page 10 of this Fact Sheet) and the Fact Sheet 'What is a Deferred Payment Scheme'

If you have insufficient disregarded income to meet the cost of the placement and cannot enter into a Deferred Payment Agreement, then a third party must agree to pay the Additional Cost and he/she will be responsible for paying this amount and it will be in addition to your assessed charge.

The third party, or yourself, depending on the circumstances, will be asked to sign an agreement with the local authority to pay the Additional Cost.

The Additional Cost payment will be in addition to your means tested charge for the placement.

What if I have sufficient income or savings to pay the full cost of my placement?

If your savings are above the maximum capital threshold (including property) or your weekly income is sufficient to pay the full cost of your placement then you can ask the Local Authority to arrange the placement for you and you will be charged the full cost of the placement. You will be able to claim Attendance Allowance/ Disability Living Allowance – Care Component/Personal Independence Payment – Daily Living (usually at the higher rate) to help pay for your care and support if you have sufficient income/assets to pay the full cost of your placement.

What if my money is tied up in my house?

If your total capital is over the maximum capital threshold, but is not accessible, because your capital is tied up in your main property/land and you do not wish to or are unable to sell it at this time, then the Council will enter into a Deferred Payment Agreement with you or your representative and you will be able to defer an element of your charge including the Additional Cost, if appropriate until the deferred payment agreement comes to an end (see 'What is a Deferred Payment Agreement?' on page 10 of this Fact Sheet). You will be able to claim Attendance Allowance/ Disability Living Allowance – Care Component/Personal Independence Payment – Daily Living (usually at the higher rate) to help pay for your care and support if you have sufficient income/assets to pay the full cost of your placement.

What will I be charged if I am admitted to hospital during my stay at the Home or temporarily discharged from the Home?

If you are in a Care Home on a temporary or permanent basis and you are admitted to hospital or temporarily discharged from the placement, we will normally keep your placement available until it is decided that the placement is no longer needed or is unable to meet your future needs. The Local Authority must pay the care home in full whilst the placement is retained. During the time that you are in hospital/temporarily discharged from the care home, you will still be charged your usual financially assessed charge for your placement.

What if I own a property?

For the purposes of the financial assessment, property can include land, a house, a shop, a caravan, a flat, etc. which is owned or partly owned by you.

For all Service Users admitted permanently into a care home the value of your main residence is not taken into account for the first 12 weeks following your

admission into care. If, however, you were to sell your property during this initial 12-week period then the sale proceeds will be taken into account from the date of the sale.

If you own land, then the value of the land would be included from the first day of admission to the care home for temporary and permanent residents.

We will arrange to have your property valued for financial assessment purposes. The value of your house is not taken into account at all if it is also the main residence of any of the following people:

- Your partner (this means husband, wife, civil partner, or someone you live with as husband/wife or partner);
- A relative who is aged 60 or over;
- A relative who is incapacitated (this means they are receiving or could be receiving disability benefits);
- A child who is aged under 18;
- A carer who has given up their own home to care for you;
- A lone parent with dependent child, who is the resident's estranged or divorced partner;
- A relative who does not own another home and lived with you before you moved to live in a care home

If the value of your house has been ignored because someone else is living there, and that person subsequently moves out or dies, then the value will normally be taken into account from the date they leave the property.

What if someone jointly owns my property?

We would examine documentation to confirm that the property is jointly owned, and we would normally only take into account the value of your share of the property.

What if my property has been transferred to someone else?

We would examine the documentation confirming this. If your property has been transferred to someone else, we will normally ask you to provide information relating to the terms of the transfer. We will also consult with our legal department for a decision about whether your property will be included in your financial assessment.

Will I have to sell my property?

If you own your property, you can choose whether or not to sell it. If your savings, investments, and other capital is less than the capital threshold (please see page 14 of this Fact Sheet) then you will be offered a Deferred Payment – please see Fact Sheet ‘What is a Deferred Payment Scheme’. Agreeing to a Deferred Payment allows a proportion of your charge to remain unpaid until a later date. We would expect you to contribute any income you receive and the shortfall between your income and the full cost of the placement would be the amount which is deferred. The department will put a “Legal Charge” on the property until it has been sold. This means that we can recover the amount that you owe us from the money you get in the future when you sell your house.

What happens if I put my property up for sale?

If you choose to put your property up for sale we will continue to help you pay for your care costs until your property is sold. Once the property is sold you must tell us, and we will then calculate how much you will have to pay back for the financial help that you have been given up to that time. We will also tell you how much you have to pay in the future.

What happens if I do not put my property up for sale?

If you choose not to put your property up for sale, we will continue to help you pay for your care costs. You will still continue to contribute from your income (including any rental income if you rent out your property), but the shortfall between what you pay us from your income, and your assessed charge can be deferred under the Deferred Payment Scheme (see below) and you will repay the accrued debt when the property is sold.

What is a Deferred Payment Scheme?

Where you have insufficient monies to pay your weekly charge because your capital is tied up in your main residence, or your income is not sufficient to meet the cost of the placement then the authority will agree for part of the debt to accrue. You will be expected to pay your income (including any rental income received), less Minimum Income Amount with the balance of the charge being deferred against your property. You or your estate will have to pay back the deferred charge when you sell your home or leave residential care. The authority will not charge interest while payments are being deferred. However, interest will be charged to your estate on the amount outstanding 90 days after you have passed away.

Should you wish to defer your payments, you will be required to enter into a written legal agreement with the authority.

Can I keep any money from my income for myself?

You will be entitled to a Minimum Income Amount (MIA) every week. This can be used as you wish and can never be used to pay towards your care unless you choose to do so. The Welsh Government sets the amount of the Minimum Income Amount (MIA) each year and the current amount is shown on page 14 of this Fact Sheet.

How are Care Home fees paid?

There are a number of ways in which you can pay for your fees, and you can choose which option suits you best. Often, more than one option is used where it is the most convenient for you. The most popular options are:

- **Re-direction of pensions-** it is possible to have your State Retirement pension and other benefits re-directed so that they are paid directly to the local authority instead of to you. Pensions from you/your spouse's previous employers, in some instances, can also be redirected in the same way.
- **By invoice** - we can send you an invoice periodically for the part of the charge that you are able/have elected to pay this way. The invoice will relate to a service that you have already received.
- **Direct Debit** - you can set up a direct debit agreement so that all, or part, of your charge is taken directly from your bank account. You will be sent an invoice to show you how much is owed before the payment is taken from your account.

What happens if I don't pay?

If you do not pay your charge, we will contact you to find out whether there is a problem. If there is a problem, we will try to help you sort it out. If there is no problem and you still do not pay your bills, then we will need to take appropriate action to recover any debts.

What can I do if I think you have incorrectly calculated my charge?

If you believe that your charge has been assessed incorrectly, then please contact the Financial Assessment Team. An Officer will go through your assessment to re-check that all the figures are correct and that there is no relevant information missing. If you are still unhappy with the outcome, then you can ask for a manager to check the assessment. If after this you are still unhappy then you can request a formal review of the decision and the staff in the Financial Assessment Team can explain the steps you should follow next.

You can also ask someone outside the Council to check the calculations (e.g., the Citizens' Advice Bureau).

What if I am unhappy with the service or want to make a complaint?

Although most people have a very positive experience of living in a care home, the process around choosing the right home, moving in, and paying the fees can sometimes be complicated.

If you are unhappy with our services you have a right to complain and you should contact our Information and Complaints Team. You won't lose services as a result of complaining.

You can contact the Information and Complaints Team in the following ways:

- By phone on 01267 224488
- By email complaints@carmarthenshire.gov.uk
- By completing the online complaints and compliments form available at: www.carmarthenshire.gov.uk/complaintsandcompliments

Where can I get more information?

This booklet is for general advice only. If you need clarification on any of the information please contact:

Financial Assessment Team,
Department for Communities, Carmarthenshire County Council,
3 Spilman Street, Carmarthen, SA31 1LE
Telephone: 01267 228903/228632/228997

Email: SCHfinancialassess@carmarthenshire.gov.uk

Who should I contact to discuss my needs?

You should contact our **Information, Advice and Assistance Service – Delta Wellbeing** on 0300 333 2222, or your Social Worker, if you have been allocated one.

How we use your information

To find out about how we use your information, you can view our privacy notices at: **www.carmarthenshire.gov.wales/privacy-notices**. If you are unable to access the privacy notices online and you wish to receive a copy please contact 01267 228703.

Other useful contact addresses:

Age Cymru Sir Gâr	01554 784080
Care and Social Services Inspectorate for Wales	0300 7900126
Carers Information Service	0300 0200 002
Citizens Advice Bureau	03444 772 020
Independent Age	0800 3196 789
Department for Work and Pensions (DWP)	0800 882 200
Job Centre Plus (JCP)	0800 055 6688

Please note that any charges contained within this booklet are liable for change. Changes usually apply from April each year.

Moving in to a Care Home 2024/25

NHS contribution towards nursing care fees:

£221.80 per week applicable from 1st April 2024

Maximum Capital Threshold for 2024/25 (set by Welsh Government):

£50,000.00 – capital under this threshold is not included in financial assessment

Minimum Income Amount for 2024/25 (set by Welsh Government):

£43.90 per week

Please see below link to the council's website for further general information on charging for Residential Care placements:

www.carmarthenshire.gov.wales/financialassessment

www.carmarthenshire.gov.wales/payingforresidentialcare

www.carmarthenshire.gov.wales/care-home-placement-additional-cost

www.carmarthenshire.gov.wales/deferredpaymentscheme

**This factsheet is also available in Welsh.
If you would like this factsheet in any other format
telephone 01267 228703 or
email: socialcare@carmarthenshire.gov.uk**



For more information on social care services log onto:
www.carmarthenshire.gov.wales/socialcare