

# Going into a Care Home - Paying for Residential Care

April 2024

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## Factsheet 4

### Financial Assessment for permanent placements

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Your financial assessment to calculate what you will have to contribute towards your care and support takes into account your weekly income and the amount of savings and capital you have.

Your assessed weekly income minus your personal expenses allowance will give you the amount you need to contribute towards your care.

### Capital and Savings

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If you have over £23,250 in savings and capital and the Council is assisting, you with making your care arrangements you will automatically be assessed as having to pay the full cost of your care and support.

## Property

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If you own your own property or a share of a property unless this is disregarded from the financial assessment, then the value of the property will be included in your capital. If this is the case and you have under £23,250 in liquid capital, you may be able to enter into a deferred payment agreement with the Council (See factsheet 2)

## Income

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Your income includes:

- State Retirement Pension
- Pension Credit
- Income Support
- Occupational and Private Pensions
- Employment and Support Allowance
- Job Seekers Allowance
- Incapacity Benefit
- Severe Disablement Allowance
- Industrial Injury Benefit
- Universal Credit

## War Widows Pension/ War Widowers Pension/ War Disablement Pension

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If you are in receipt of War Widows Pension/War Widowers Pension/War Disablement Pension this income will be disregarded from your financial assessment as a discretionary disregard.

## Couples

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If you are claiming benefits such as Pension Credit as a couple, you will need to inform the Department for Work and Pensions (DWP) that one of you is now in permanent care. They will then assess you as individuals for benefit purposes and make revised claims.

## Attendance Allowance/ Disability Living Allowance/ Personal Independence Payment

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If you receive Disability Living Allowance Care Component, Personal Independence Daily Living Component or Attendance Allowance this usually stops after 4 weeks (28 days) of being in care this would include any period that you were in hospital or in another care home.

If you are in receipt of Disability Living Allowance Mobility Component or Personal Independence Payment Mobility Component you may be able to continue to receive these payments whilst in a care home. These payments will not be included in your financial assessment.

If you are paying the full cost of your care or you enter into a deferred payment agreement you can continue to claim any Attendance Allowance, Disability Living Allowance Care Component or Personal Independence Payment Mobility Component that you are entitled to.

## Personal Expenses Allowance

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Your Personal Expenses Allowance is set by the Department of Health every April, the amount is £30.15 per week (2024/2025), which is intended for you to purchase things not provided by the care home such as toiletries.

## Savings disregards

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If you are aged 66 or over, you may also be entitled to a further disregard on your income of up to £6.95 (£10.40 for couples) this depends on the amount of income you receive.

## Tariff Income

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Capital between £14,250 and £23,250 is assessed as if you have an assumed (or 'tariff') income. For every £250 or part of £250 above £14,250, you are treated as if you have an extra £1 a week income.

### Example

If you have capital of £14,550 you are treated as having £2 a week income (two lots of £250). This will be reviewed annually and if your capital drops down to the next £250 'band' your contribution will reduce by £1.00.

## Examples

Joe is 85 and is going into a care home permanently, he has a retirement pension of £195.00 per week and occupational pension of £44.00 per week, Joe also receives the lower rate of Attendance Allowance of £72.65. Joe has £15,500 in a savings account and £1,000 in a current account. Joe was living in a Council property before having a fall and going into hospital two weeks before he moved into the care home.

Joe's Financial Assessment is calculated as follows:

Retirement Pension	£195.00
Occupational Pension	£44.00
Attendance Allowance	£72.65
Tariff Income	£9.00
(Capital £16,500 - £14,250 lower capital limit = £2,250. £1 for every £250)	

A. Total Income **£320.65**

Personal Expenses Allowance	£30.15
Savings Disregard	£6.95

B. Total Personal Allowance **£37.10**

Weekly contribution (A-B) = **£283.55 per week**

After two weeks Joe's Attendance Allowance will stop being paid because he was in hospital for two weeks before moving into a care home and his contribution will change:

Retirement Pension	£195.00
Occupational Pension	£44.00
Tariff Income	£9.00
(Capital £16,500 - £14,250 lower capital limit = £2,250. £1 for every £250)	

A. Total Income **£248.00**

Personal Expenses Allowance	£30.15
Savings Disregard	£6.95

B. Total Personal Allowance **£37.10**

Weekly contribution (A-B) = **£210.90 per week**

Norah is 53 and is going into a care home permanently, she receives Employment and Support Allowance of £159.05 per week, and low-rate Disability Living Allowance Mobility Component of £28.70 per week, she has no savings and does not own a property.

Norah's Financial Assessment is calculated as follows:

Employment and Support Allowance	£159.05
Disability Living Allowance Mobility Component	£28.70

A. Total Income **£187.75**

Personal Expenses Allowance	£30.15
Disregarded benefits	£28.70

B. Total Personal Allowance **£58.85**

C. Weekly contribution (A-B) = **£128.90 per week**