

Going into a Care Home - Paying for Residential Care

April 2024

www.wolverhampton.gov.uk

Factsheet 6 Benefits in a care home

If you go into a care home either temporarily or permanently, the following Benefits may be affected:

- Disability Living Allowance Care Component
- Personal Independence Payment Daily Living Component
- Attendance Allowance
- Housing Benefit
- Council Tax Reduction
- Income Support
- Income-based Jobseekers Allowance
- Income-Related Employment and Support Allowance
- Pension Credit
- Universal Credit

Other benefits, e.g., State Retirement Pension, Incapacity Benefit or Contributory Employment and Support Allowance can be claimed and paid in the normal way.

Attendance Allowance/ Disability Living Allowance/ Personal Independence Payment

Disability Living Allowance Care Component, Personal Independence Payment Daily Living Component and Attendance Allowance are normally payable for the first 4 weeks of a temporary or permanent stay in a care home. However, if you have been in hospital or in a care home at any time within the previous 28 days, that period will be linked to your present stay so that the benefit will only remain in payment for a total of 28 days including the period of your previous stay.

Disability Living Allowance Care Component, Personal Independence Payment Daily Living Component or Attendance Allowance can continue in payment after the initial 28-day period if you are “*self-funding*” or “*retrospectively self-funding*”

Housing Benefit and Council Tax Reduction

Housing Benefit is not payable to help meet the cost of a temporary or permanent stay in a care home. If, however, you are resident on a temporary placement you may be able to continue to receive or claim Housing Benefit and/or Council Tax Reduction to help meet the costs of your home in the community for up to 52 weeks (if you are a temporary resident).

If you are one of a couple going into a care home on a permanent basis and you are the claimant for Housing Benefit/Council Tax Reduction your partner will need to make a fresh claim in her/his name.

You can only get Council Tax Reduction if you are liable to pay Council Tax.

Your former home will be exempt from Council Tax if it is unoccupied, and you are a permanent resident in a care home.

If you are a member of a couple and your partner is the only person remaining in the home in the community s/he will get a 25% status discount on his/her Council Tax.

Income Support/ Income-based Job-seekers Allowance/ Income-related ESA/ Pension Credit

Depending on the level of your income and capital and subject to the general conditions of entitlement, you may be able to claim or get more Income Support, Income based Jobseekers Allowance, Income related Employment and Support Allowance or Pension Credit to help you pay toward the cost of your stay in a care home.

There are different rules that apply depending on whether you are a temporary or permanent

resident and whether you are a single person or a member of a couple.

Single Persons

If you are a single person and you go into a care home for a *temporary* stay, the amount of any Universal Credit, Income Related Employment and Support Allowance or Pension Credit you receive may change.

If you are going into a care home *permanently* the amount of any Universal Credit, Income Related Employment and Support Allowance or Pension Credit may change.

Couples

If you are a couple and you are both going into a shared room in the same care home on a *temporary* basis then you will continue to be treated as a couple by the Department of Work & Pensions and any entitlement to Income related Employment and Support Allowance or Pension Credit will usually not change.

If only one of you go into a care home on a *temporary* basis or you both go into a care home but don't have a shared room any entitlement to Income based Jobseekers Allowance, Income related Employment and Support Allowance would usually be calculated using two single person's rates even though your income and capital will still be added together, and the payment will still be made to one person in respect of both of you.

For *Pension Credit only* if you both go into a care home or just one of you goes into a care home on a *temporary* basis you will still be treated as a couple, therefore any entitlement to Pension Credit will be calculated using the couple rates in the same way as if you were both living in the community.

If you are a couple and one or both of you are going into a care home on a *permanent* basis then you should each claim Pension Credit as single people.

Disability Care Component Care Component/Personal Independence Payment Daily Living Component/ Attendance Allowance

Unless you are “self-funding” DLA Care Component or Personal Independence Daily Living Component or Attendance Allowance usually stops after 4 weeks (28 days) of being in care. However, there is a “linking rule” which means that any stay of less than 28 days is linked to any previous stay if that stay was within the previous 28 days; therefore, in effect, cutting short the length of time for which DLA Care or PIP Daily Living Components or Attendance Allowance can be paid whilst you are in the care home for future stays. To allow DLA Care or PIP Daily Living Components or Attendance Allowance to remain in payment for each of your stays in care for up to 28 days, you could keep a careful count of the days you stay in care and establish a pattern of respite care. The following example will help you to see how the “linking rule” works.

Example

Tom is in receipt of Attendance Allowance and he has respite care every weekend. He goes into the care home on a Friday and leaves on the following Monday. This is counted as 2 days of respite care (Saturday and Sunday) because the day of entering (Friday) and the day of leaving (Monday) are not counted.

Tom continues with this pattern of respite care but he is mindful that each of his weekend stays after his first stay are being linked together because they are within 29 days of the previous stay. This means that after 14 weekend stays of 2 days each he has reached the end of his 28 days payment of Attendance Allowance whilst in a care home. If Tom spent a 15th weekend in respite care his Attendance Allowance would stop for the 2 days in the care home and only start in payment again when he went home until his next respite care stay, when it would stop again.

However, in order to avoid any break in the payment of his Attendance Allowance, Tom

breaks the “link” by having shorter respite care stays. For 4 weekends following his 14th weekend stay he doesn’t go into the care home until the Saturday and he leaves on the Sunday. As there are no days counted as days in a care home, he has effectively spent 29 days without a stay in care, thus breaking the link.

On the 19th weekend Tom goes back to going into the care home on a Friday and leaving on a Monday. If he continues to repeat this pattern his Attendance Allowance will be paid without any break for his stays in the care home.

Note

For reasons demonstrated in the example, it is important to inform the Disability Benefits Unit, as well as the local DWP office, of any stay in a care home and, if you have a pattern of respite care planned, to advise them of this in advance. If you are not able to arrange your respite care in order to break the link then your DLA Care Component / PIP Daily Living Component/ Attendance Allowance will cease after a total of 28 days in a care home and only start again when you are in the community.