



# A Guide to Financial Assessments

## SELF HELP TOOLKIT

Supporting you to be listened to



# In this booklet you will find:



## CONTENTS

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- 2 Why does the council want to complete a financial assessment?
- 3 Do I have to have a financial assessment?
- 4 How does the council work out how much I must pay towards my care?
- 14 What happens in a financial assessment?
- 18 What will I have to pay towards care? Residential care vs. non-residential care contributions. The differences.
- 25 What is not included in care charges – what might you still have to pay?
- 26 Top up fees.
- 30 What happens after a financial assessment?
- 35 What happens if my financial situation changes?
- 38 Can I give away some of my money or other assets?
- 44 What if I am unhappy with the outcome of the financial assessment?
- 46 Glossary

### **IMPORTANT:**

THIS DOCUMENT RELATES TO FINANCIAL ASSESSMENTS IN ENGLAND. THERE ARE DIFFERENT RULES IN SCOTLAND AND WALES.

# Why does the council want to complete a financial assessment?

## Care is not free for everyone.

When care is arranged, there are sometimes questions about how this will be paid for.

When the council has assessed that someone has care and support needs – the person becomes ‘eligible’ to get care and support.

The council complete a financial assessment with the eligible person to find out about their finances e.g. income, capital, assets. This is free.

The financial assessment works out how much money the eligible person must pay (contribute) to their care and how much the council will pay.

This is because the amount of money the council will pay towards care is ‘means tested’.

The more money someone has, the more they must contribute towards their care.



# Do I have to have a financial assessment?

**No - you do not need to have a financial assessment to get care.**

But if you don't you must pay the full cost of the care that you need.

You would be a 'self-funder'.

The cost of care can depend on what care you need.

It can depend on the service providing your care. Different providers cost different amounts.

The cost of care is also different dependent on where you need care i.e. at home (non-residential) or in a care/nursing home (residential).

If you do not want a financial assessment, councils suggest that you get independent financial advice.

A financial advisor can talk to you about:

- Care funding options available to you.
- How these options and choices affect you financially.
- The short and long term effects of not getting a financial assessment e.g. having to sell your house to pay for care or not.

# How does the council work out how much I must pay towards my care?

**Once the financial assessment has been completed, the council works out how much you can afford to pay towards the care you need.**

They also work out how much they will pay.

They use this formula to work out what you can afford to pay:

$$\begin{array}{r} \text{Your income} \\ + \\ \text{Tariff income} \\ - \\ \text{Living costs (minimum income guarantee)} \\ - \\ \text{Household costs and expenses} \\ - \\ \text{Disability related expenses} \\ = \\ \text{Net disposable income (NDI)} \end{array}$$

## **Your income:**

This is the amount of money that you are paid/receive on a regular basis.  
e.g. salary, benefits, pensions, annuities.

# How does the council work out how much I must pay towards my care?

## **Tariff income and capital (savings):**

The Care Act (2014) gives the council guidance about capital and care charges.

The council will look at any savings/investments/assets that you have.

These are known as capital.

Where someone has capital, the council assume that for every £250 they have, they can afford to pay £1 towards their own care.

This is known as 'tariff income'.

## **If you have savings / investments:**

- Under £14,250: these savings are not included (they are fully disregarded) in the financial assessment.
- Between £14,250 and £23,250: tariff income is applied. You will have to pay towards the cost of your care (the more savings you have the more you will pay).
- Of £23,250 or more (excluding the value of your main home): You pay for your care yourself – even if the council has arranged the care for you.

***(There are different rules in Wales and Scotland about capital and what you are expected to pay towards care)***

# How does the council work out how much I must pay towards my care?

## **Living costs (minimum income guarantee):**

How much income you need to pay for living your life e.g. buying food, clothes.

## **Household costs and expenses:**

How much money you need to pay for things like rent, mortgage, council tax, water rates.

## **Disability related expenses:**

Disability related expenditure (DRE) is anything you have to pay for because of your illness or disability.

### **Examples of DRE could be:**

- Extra heating costs.
- Private payment of care needed to meet needs (which would be included in a care package arranged by the council if they were paying for the care).
- Extra laundry costs and specialist washing powders.
- Purchase, maintenance, and repair of disability related equipment.
- Payment for any community alarm.
- Additional costs of special food/dietary needs due to illness or disability.
- Specialist clothing or footwear.
- Additional costs of bedding due to incontinence.
- Transport where needed because of your illness or disability, e.g. costs of transport to day centres (where these costs are more than the mobility benefits you get).

# How does the council work out how much I must pay towards my care?

## DRE must be:

- Because of your disability/illness.
- About social care needs - not medical care needs.

DRE are seen as a 'reasonable' additional expense.

This is only if you get/should be getting disability benefits.

When working out your care contribution, the council work out how much money you need to pay for DRE.

They work out a DRE allowance.

Some councils give a set amount of money for DRE.

If you think that you spend more on DRE than the council has said you need, you can ask for a full DRE assessment.

You might end up with more than the amount the council have said. But you might end up with less.

You would never be assessed as needing a bigger allowance than you already get from a disability allowance.

Once the DRE assessment has been completed, the allowance agreed will be included in the overall financial assessment.

# How does the council work out how much I must pay towards my care?

You would need to show information/proof to the financial assessment officer about what you spend on DRE e.g. receipts, invoices.

Claims for DRE where you pay a family member are not usually considered. There are sometimes special circumstances where they could be.

The Care Act guidance says that the local authority must let the person keep enough money, after paying for their care, to pay for DRE to meet any needs which are not being met by the local authority.

## **Net disposable income (NDI).**

This is the amount of money you will be contributing towards your care.

You would pay whichever was the least expensive of:

Your net disposable income

OR

The actual cost of the care service.

# How does the council work out how much I must pay towards my care?

## What about my house?

Whether the value of your home is counted within the financial assessment depends on certain situations.

### Your home is not included where:

- Care is not being provided in a care home.
- Where you are staying in a care home temporarily but you plan to return home or are going to sell your home to buy a home more suitable for you.
- Where you no longer live in the home but someone else lives there and they have since before you went into a care home. These people include:
  - Your partner (except where you are estranged).
  - A lone parent who is your estranged/divorced partner.
  - A relative who is aged 60 or older.
  - A relative who is under the age of 18/is incapacitated (is receiving/or should be in receipt of a disability benefit).



# How does the council work out how much I must pay towards my care?

## 12-week property disregard:

To disregard here means to ignore/not include.

The Care Act (2014) gives a 12-week period where the council must not include the value of your home in their financial assessment.

This allows people time to make decisions about how to contribute to care costs.

It is to stop people making decisions in a hurry or 'crisis'.

This rule states that the 12-week property disregard must happen:

- When someone first permanently moves into a care/nursing home.
- When other 'disregards' suddenly cease.

## Discretionary disregards:

The council can, in some circumstances, decide to disregard the value of a property where there are sudden and unexpected changes to a person's finances e.g. a debt has come to light.

Or they can disregard the value of the property for other reasons.

They do not have to do this.

They think about whether someone keeping their financial assets would cost the public money.

# How does the council work out how much I must pay towards my care?

Some situations where the council might put in place a discretionary disregard could include:

- A person gave up their own home to move in with the eligible person to care for them. The eligible person has now permanently moved into a care home. The person still lives in the eligible person's home.
- A relative of the eligible person has moved into their home after the eligible person had moved into a care/nursing home.

The council would look into these sorts of situations and find out more information before making a decision about whether they disregard the value of the home or not.

## Couples:

The council say a 'couple' is two people living together as partners/spouses (married).

Where both partners/spouses are receiving care – both people will receive a single and a couple's financial assessment.

Once the 'single' and 'couples' assessments have been completed, the council will use whichever assessment came out with the lowest contribution to pay towards care.

# How does the council work out how much I must pay towards my care?

## Single assessment:

- This is based on the person who needs care.
- It includes their income, savings and investments.
- Half of joint savings/investments will be thought to belong to you (unless you can prove differently) and will be included.
- They cannot include income of savings, income or investments of things that you do not own e.g. your partner/spouse's savings.

## Couple's assessment:

- Both you and your partner/spouse's finances and assets will be considered during the financial assessment.
- The financial assessment officer will need to gather financial information about both you and your partner/spouse.
- This is to make sure that your minimum level of income is protected.
- They will check that both you and your partner/spouse are getting the benefits you should be.
- All individual and joint savings/investments will be included in the assessment.

If you want to read The Care Act (2014) statutory guidance for more detailed information the link is: [Care and support statutory guidance - GOV.UK](#)

# What happens in a financial assessment?

## **Before the assessment**

A financial assessment officer from the council will get in touch.

They will arrange an appointment to carry out the financial assessment.

## **What information will they need?**

They need information about your:

### Income:

E.g. pensions, pension credit, annuities, charitable payments you receive, attendance allowance and any other benefit you might be getting.

### Savings:

E.g. bank account or building society savings, post office savings, national savings, premium bonds, stocks and shares, unit trusts, ISAs.

### Bills:

E.g. rent, mortgage payments, insurances, council tax, water rates / charges, broadband, TV subscription, mobile phone contract, road tax.

### Other costs / financial commitments:

E.g. boiler service, shopping bills, transport costs, gardener, window cleaner, vet bills, holidays, costs of things like going to social clubs.

# What happens in a financial assessment?

They will need to see things like:

- Bank statements.
- Savings accounts/books.
- Bills.
- Receipts.
- Invoices.
- Letters about your money.

You need to get this information ready before the appointment.

The financial assessment officer will want to see proof of what money comes in and what is spent.

They might want information dating back about two years.

## **Can I refuse to share my financial information?**

Not sharing financial information is called 'non-disclosure of finances'.

If you decide not to share all your financial information the financial assessment cannot be completed properly.

You might then have to pay for all the care you need.

# What happens in a financial assessment?

## **During the assessment**

The financial assessment officer will look at the information.

They might double check this information with the Department of Work and Pensions.

They might check that you are getting all the benefits you should be getting - to make sure you are getting the right amount of income.

## **Is all of my money considered in the financial assessment?**

### **YES.**

All of your financial information (as discussed above) is included in the assessment.

### **BUT**

This does not mean that all of your finances are used to work out how much you can pay towards your care.

The Care Act guidance states that income from current employment must not be counted when working out what you can afford to pay towards care.

There are different approaches to how income is treated depending on whether you are living in a care home or getting care and support in your own home.

# What happens in a financial assessment?

The financial assessment officer will look at your financial information during the assessment.

They look at the money/assets that you have, your income and what your money is spent on.

The council has to make sure that you have a certain amount of money so that you can live your life and pay for the things that you need to BEFORE your care contribution is worked out.

The financial officer will work this out during the assessment.

The Care Act (2014) gives councils guidance they must follow when completing financial assessments.

If you want to read more information this can be found here: [Care and support statutory guidance - GOV.UK](#)

**Please see 'What will I have to pay towards care' section for more detailed information.**

# Residential care vs. non-residential care contributions - the differences

'Non-residential care' is when you get care in your own home.

'Residential care' is when you get care by moving into a care/nursing home.

Financial assessments happen for both types of care.

The financial assessment is different dependent on whether you are staying at home or moving into a care/nursing home.

What finances the council include (consider) and exclude (disregard/ignore) in the assessment and to work out of your care contribution are different.



# Residential care vs. non-residential care contributions - the differences

## **Non-residential care:**

### Financial assessments:

The value of your home will be disregarded if you are living in your home

OR

If you plan to return home i.e. you will be living in a care home but not forever.

There are no set amounts of money which are disregarded in the financial assessment.

The amount of money that you need to live your life, pay for household expenses and pay for disability related expenses is worked out in the financial assessment BEFORE your contribution is calculated.

You cannot enter a deferred payment scheme (discussed below).

## **Residential care:**

Residential care can be:

- Short Term: where you will be returning home. Usually for no longer than eight weeks.
- Temporary: where you will eventually return home within 12 months of moving into the care home.
- Residential reablement: where you are in a care home for longer than six weeks, but this is to help you get ready to return home.
- Long term: where you have moved into a care home and now live there. You are not returning home.

# Residential care vs. non-residential care contributions - the differences

## **Financial assessment for residential care:**

Some finances are not considered in the financial assessment if you are moving into a care/nursing home.

There are also some 'set' allowances for things like living expenses.

This is because you would not be living at home and so your costs would not be the same e.g. bills, food shopping.

## **Examples of these differences include:**

### The personal expenses allowance:

- The personal expenses allowance is set each year by the Department of Health and Social Care.
- From April 2025 to March 2026, the amount set is £30.65 per week.
- This is the minimum amount of income the council must leave you with.
- This money is for you to spend on what you want.
- It must not be used to pay towards care.

### Pension Credit Savings Credit Component:

- If you get 'Savings Credit' you get a certain amount of money each week disregarded by the council.
- This amount could increase if you are part of a couple and in a temporary placement.
- This is set each year by the Department of Health and Social Care.
- From April to 2025 to March 2026 this is £7.05 per week for an individual.

# Residential care vs. non-residential care contributions - the differences

## Occupational or Works Pension:

- Half (50%) might be disregarded if you have a spouse/ partner at home.
- This money is seen as being needed by your spouse/partner to maintain their life at home.

## Disability Living Allowance:

- The mobility component of this benefit is fully disregarded.

## Attendance allowance/disability living allowance (DLA) and personal independence payment (PIP).

- The care component of these benefits is disregarded if you are in a temporary placement.  
**BUT**
- The care component is included if you have moved into a care home permanently.
- The mobility element of both DLA and PIP are disregarded.

## War Pension:

- If you get a war pension this is disregarded
- APART FROM the constant attendance allowance.

## War Widows Pension

£10 will be disregarded per week.

If your War Widows Pension includes a 'supplementary/special pension' - the full amount will be disregarded.

## Home Commitments:

- Some costs relating to your home are disregarded if you are in a temporary placement.
- E.g. the cost of your mortgage / rent, council tax, water rates and home insurance.

# Residential care vs. non-residential care contributions - the differences

## **Section 117 aftercare and care contributions?**

Section 117 aftercare relates to a section (part) of the Mental Health Act (1983) - a law.

The Mental Health Act (1983) can be used to deprive someone of their freedom under other 'sections' e.g. Section 3.

If someone has been in hospital under certain 'sections', they will get 'aftercare' when they leave hospital.

This aftercare is to help people meet their needs which come from having a mental health condition. To help them stay safe and well.

The sections that give a person Section 117 aftercare are:

- 3
- 37
- 45a
- 47
- 48

Section 117 aftercare means that the council and the NHS has to pay for your care.

It only stops when you don't need care to stay well.

# Residential care vs. non-residential care contributions - the differences

This means that if you are moving into a care home the council will pay an agreed amount in full to the service provider. You will not be charged for living in a care home.

However, if the care home costs more than the council has agreed to pay – you might have to pay a ‘top up fee’.

If Section 117 aftercare is ended – as the council and NHS have assessed that you no longer need it, you would have a financial assessment to work out your contribution to care fees.

## **Deferred payment scheme**

In some cases, the council’s financial assessment shows that you have to pay all of your care fees.

But you don’t have enough money to pay for care as all your money is tied up in your home.

Councils offer something called a ‘deferred payment scheme’.

This means that you will not be forced to sell your home to pay for your care – whilst you are alive.

The scheme means that you can delay paying some of your contributions to care fees to a later date.

# Residential care vs. non-residential care contributions - the differences

You would need to apply to the council to enter the scheme. It is not something that just happens.

The council would find out how much your home is worth. They would also find out how much available money (equity) there is in your home.

If someone cannot make decisions about finances and/or property (they lack capacity) – they cannot ask to go onto this scheme.

Somebody who has the legal permission to manage the person's finances and/or property would have to do this for them.

This would be an appropriately legally appointed representative such as an: LPA, Department of Work and Pensions appointee or Court of Protection deputy)

If there is not one in place at the time the person lost capacity, then action should be taken to address this.

The council would usually ask a social worker to speak with the person's family and look into this.

## **What if I own other properties?**

The value of other property owned in the United Kingdom will be included in the financial assessment. They are seen as capital.

If you own properties abroad, you cannot be made to sell them. But if you do, the money you get will be included as assessable capital.

# What is not included in care charges - what might you still have to pay?

Even though you have been assessed as having care and support needs

AND

A financial assessment has been completed working out your contribution towards care.

**There might still be things that you have to pay for.**

Some things include:

- Meals and additional daytime support.
- Technology enabled care.
- Transport.
- Equipment or adaptations in your home.
- Top up fees.



# Top up fees

Councils will only pay a certain amount for care – regardless of where this care is provided.

Top up fees are usually talked about where someone is going to be/is already in residential care.

If you/your family choose a provider who charges more than your budget can afford, the difference must be paid.

This is on top of any contribution you may have been assessed as needing to pay.

This difference is called a 'top up' fee.

Top up fees can be hundreds of pounds (£100's) a week.

## **Who can pay the top up fee?**

Councils do not usually pay top up fees.

You are not allowed to pay the top up fee yourself.

This is because your finances have already been assessed and your contribution is seen as all you can afford to pay towards care.

# Top up fees

## Unless:

- You have the 12-week property disregard.
- For residential care, you have a deferred payment agreement in place that has been updated with information about the top up fee.
- Your care is being paid for by Section 117 aftercare. This should be discussed with your social worker.

Top up fees are usually paid by a family member or a 'third party'.

Top up fees are voluntary – no one can be forced to pay them.

The cost of top up fees can be shared between family/third parties. But they would need to sort this out themselves.

Top up fee arrangements can only be signed by one person – and this is the person who will be charged.

Anyone who wants to pay the top up fee must make sure that they can afford it for a long time.

They should get financial advice.

# Top up fees

## **Residential care:**

The council can help you find a care/nursing home that charges the amount that they have agreed to pay.

The council must provide options of care homes that would be within the budget they have set.

If you or your family decide to choose a different care/nursing home that costs more - the difference between the costs of what the council will pay and what the care / nursing home costs has to be paid.

But if the care/ nursing home costs more than the council will pay BECAUSE you need that particular care – the council should adjust your care budget and not charge a top up fee.

A top up fee should not be asked for if the council cannot provide an affordable option in the area – a care / nursing home that will accept the council's budget. It would be unlawful.

Once paying for a top up fee has been agreed, this cost cannot be changed without permission from yourselves and the council.

The top up fee is paid to the council, who then pay the care/nursing home.

# Top up fees

## **Non-residential care:**

If you are able to get help from the council to pay for your care, they give you a budget.

This is the amount of money the council will pay for/towards your care.

There may be a difference between your budget and the cost of the service you want.

Sometimes care providers charge more than what the council has agreed to pay. The difference then needs to be paid. You would need to check with the council how this would be done. Sometimes the difference is paid to the service provider.

The council usually has a list of 'preferred providers'. Amongst other things, these providers can provide care within your agreed budget.



# What happens after a financial assessment?

## **Once the financial assessment has been completed a decision will be made about:**

- What you have to pay towards care costs - if anything, and how much.
- What the council will pay towards care costs – if anything, and how much.

The money you might have to pay towards care is called your 'contribution.'

Care needs to be paid for from the day that it starts.

If you do not already have care, you can start to look for a service that can provide this.

You might have agreed for the council to arrange your care.

They will look for a service provider for you.

They should keep you up to date with important information.

If you already have care, the council will begin to pay towards the care (if you are getting their help).

## **Paying contributions**

The council will tell you about how you can make payments, and who you need to pay.

# What happens after a financial assessment?

## **I have been told I cannot get help towards care costs:**

If the financial assessment said that you could not get help from the council to pay for your care – you have to pay for the care yourself.

You would be a 'self-funder'.

You would pay the service provider directly.

You can talk to them about how they want to be paid.

## **Where you have/are arranging your own care:**

If you are arranging your own care and can get help to pay for this from the council, you will get a 'direct payment'.

This is the money that the council has agreed to pay towards care costs.

It could be all/some of the money you need to pay a service to meet your care and support needs.

It would depend on whether you have been assessed as needing to contribute to your care or not.

This money must be used to meet your care and support needs.

You will need to prove that you have spent this money on meeting your care and support needs.

# What happens after a financial assessment?

## **Where the council are arranging the care:**

If the council are arranging your care, they will pay the service provider for the care you receive.

The council then asks you to pay them back any contribution you owe.

Councils prefer people to set up 'direct debits' to pay for their care contributions.

These are payments that are set up with your bank.

They are made automatically on a regular basis e.g. every four weeks.

The financial assessment officer will help you set up a direct debit if you are due to pay a contribution to care costs.

The direct debit pays for the care that you have already received.

It is the money you owe, known as 'arrears'.

If you cannot set up a direct debit (for a good reason) you will be sent an invoice (bill) by the council.

You would get this invoice regularly e.g. once every four weeks.

You must then pay this bill.

# What happens after a financial assessment?

## **What if I do not pay my contribution:**

If you are having trouble paying your care contribution, you must contact the council to talk about this.

If you do not pay your contribution, you will get into debt.

The council will send you reminders that you have not paid your contributions.

If debts starts to grow, the council will take action against you.

They have policies (written documents) which tell them how they must deal with debts.

There is a special team in a council who work to collect debt.

Usually, the first step is for the council to contact you and find out why you have not paid your contribution.

They can talk to you about ways that you can pay the debt off.

If you refuse to pay the contributions you owe, or do not work with the council – they may take legal action against you.

You could end up being taken to court.

The council can also use a debt collection agency to collect the debt.

# What happens after a financial assessment?

## **What if I want to cancel or change the service providing care?**

If the council has arranged for a service to provide your care, there will be a 'notice period.'

If you have arranged your own care, they will have told you about what notice they would need if you wanted to change or cancel your care.

If you do not give the service notice, you would still be charged for the usual service they provide.



# What happens if my financial situation changes?

Sometimes people's financial status changes after a financial assessment.

They have less or more finances available.

You must tell the council if this happens.

The amount of money you have can change the amount you need to pay towards your care.

You can ask the council to complete a new financial assessment.

## **Changes to capital (savings):**

If your capital changes you should ask for a new financial assessment.

### If your capital goes above/drops below £23,250:

- If you have capital above £23,250 you have to pay for care yourself.  
BUT
- Less than this amount means that you only contribute a part towards care – and the council will pay some of your care fees.

### Capital between £14,250 and £23,250:

If your capital changes; but stays between £14,250 and £23,250; you could have to pay more/less towards care.

# What happens if my financial situation changes?

## Capital less than £14,250:

If you had less than £14,250 of capital at the time of the financial assessment; and now have more - you might have to pay more towards your care. Your capital will now be included in the assessment.

If you had more than £14,250 of capital at the time of the financial assessment; and now have less - you might pay less towards your care. Your capital will not now be included in the assessment.

## **Changes to care needs/arrangements:**

If you need more or less care e.g. from non-residential to residential care, this can affect how much you need to contribute to your care.

Your needs might change, and you find you need more/less money for things like disability related expenses.

If the council are involved in assessing your change of care needs, they should complete a new financial assessment.

If you are arranging your own care (a self-funder) and your needs change, it might be worth asking the council to financially reassess you.

# What happens if my financial situation changes?

## **Other changes:**

The council sometimes asks to complete a new financial assessment themselves e.g. because their charging policy has changed, Department of Work and Pensions changes.

If you are asked to provide up to date financial information you must provide this.

If you don't then you could be charged for the care you receive, from the date the council asked for this information.

If your partner / relative moves out of your property or it becomes vacant you need to tell the council.

If you sell your home and intend to buy another home the sale proceeds will be disregarded in the financial assessment for up to six months.

BUT if you purchase a cheaper home the leftover money (capital) will be included in your assessment.

AND if you do not buy another home (e.g. you rent somewhere or move in with someone else) the money from the sale of your home will be included as capital.

# Can I give away some of my money or other assets?

If you are thinking about giving away some of your finances - you should first get some legal and/or financial advice about what could happen if you needed care.

Everyone who the council assesses as needing care and support has a financial assessment.

Even if this means that they don't contribute towards their care afterwards.

If you have reduced your income/capital and then need care and support - you will have to explain to the council why you have done so.

Sometimes people reduce their capital/income on purpose to avoid/reduce their care contribution.

This is known as 'deprivation of assets'.

## **What the Care Act (2014) says.**

There is a law called The Care Act (2014) that gives councils guidance about how to support people with care and support needs.

It tells the council that if they think that someone has deprived themselves of assets - they should look into this with dignity and respect. That it is the person's money after all.

# Can I give away some of my money or other assets?

It says that the council should not assume that someone has reduced their capital/income on purpose to deprive themselves of assets.

It says that the council should look into why the person has reduced their income/capital.

It says that the person must have known they needed care and support AND have deliberately reduced their income/capital to reduce their care contribution to have deprived themselves of assets.

Importantly the guidance says that even if someone has been found to deprive themselves of assets – this should not affect how much support they get from the council.

The guidance also tells the council that if someone has paid a debt off (even if they did not need to straight away) this is NOT a deprivation of assets. (BUT there are different rules in Scotland and Wales)

It also says that personal possessions are not usually included within a financial assessment e.g. jewellery, art.

# Can I give away some of my money or other assets?

## **What might be seen as a deprivation of assets?**

Some examples of deprivation of assets could be:

- making a lump-sum payment to someone.
- unusual spending.
- transferring the title deeds of a property to someone else.
- putting your assets into a trust that cannot be revoked.
- buying an investment bond with life assurance (an end-of-life policy).
- buying expensive personal items.
- selling an asset for less than it's worth.

## **What about my family's inheritance?**

Wills:

- You might want to make sure that your family inherit from you once you die.
- If you have a will – it is important to remember that this only comes into effect once you die.
- Until then, your assets belong to you – and so are included in the financial assessment.

Inheritance tax vs. care charges rules:

- There is no link between inheritance tax rules and the rules for care charges.
- If you do gift money to family/friends – this might be seen as a deprivation of assets.
- There is also a belief of a '7-year rule' – that anything done with your finances 7 years before you need care won't count. This is not true.

# Can I give away some of my money or other assets?

## **Lasting Powers of Attorney (LPA)/Court Appointed Deputy (CoP Deputy) - and deprivation of assets:**

If your legally appointed representative gives monetary gifts on your behalf, these may be seen as a deprivation of assets.

There are rules which these representatives must follow relating to gift giving.

## **What happens if the council think I have deprived myself of assets?**

**IMPORTANT:** There is NO TIME LIMIT on how far back a council can look for deprivation of assets.

If the council think that you might have deprived yourself of assets, they will look into this.

They should think about the following:

- Why you gave away the asset? Was it to avoid care contributions?
- When did you give the asset away? Did you know that you might need or did need care?
- Did you believe that you might need to pay towards your care?

You must be given chance to explain your actions and why you spent/sold/gave your assets away.

The council does not have to accept your reasons.

# Can I give away some of my money or other assets?

## **What happens if the council decide that I have deprived myself of assets?**

If you have been found to have deprived yourself of assets, the council will treat you as if you still had them.

You will be seen as having 'notional capital' or 'notional income'.

'Notional' finances are included in the assessment in the same way as the finances that you still have.

The contribution you have to pay towards care is worked out on both notional finance and available finance.

Because of this, you might find that the contribution you need to pay towards your care is more than you can afford.

## **But I can't afford to contribute towards my care - what happens?**

The council must help you receive the care that they have assessed you need.

They will then claim any money you owe them from you OR the person who you gave your asset to.

# Can I give away some of my money or other assets?

## **I owe the council money - what happens?**

- The council can take legal action if you do not repay the money that you owe them.
- You could end up being taken to court.
- This is usually a last resort.
- The council should talk to you about other ways of paying off your debts.

## **What if I disagree with the decision that I have deprived myself of assets?**

- The decision should be clearly explained to you.
- You can disagree (challenge) this decision.

There are two ways to do this:

### 1. Make a formal complaint:

- Councils have formal complaints procedures
- They are usually found on their websites.
- They usually ask that you make a complaint within a year (12 months) of the problem happening

OR

Within a year (12 months) of you becoming aware that there was a problem.

### 2. Legal action:

- If you think you want a solicitor to help you challenge the decision, it is best to seek legal advice as soon as possible.
- The timescales are usually much shorter for getting this sort of help.

# What if I am unhappy with the outcome of the financial assessment?

Once the financial assessment has been completed, you will be told how much money (if any) you need to contribute towards your care.

You can challenge (object) to this decision if you think that:

- You cannot afford the contributions.
- The assessment wasn't completed properly.
- Your expenses were not properly assessed.

## **Reconsideration:**

- This means that a different financial assessment officer will look at your case.
- You can share any new financial information with them.
- They will complete a financial assessment again.
- To ask for reconsideration, you must contact your financial assessment officer and tell them why you think the decision is wrong.

## **Appeal:**

- If you are still unhappy with your assessed care contribution; you can appeal the decision.
- You would need to tell them why you think the reconsideration decision was wrong.
- Someone else will look at your information.
- It is not a way to complain about having to pay towards your care.

# What if I am unhappy with the outcome of the financial assessment?

The appeals process looks at:

- Circumstances that were not considered during the normal financial assessment.
- If any calculation errors were made in the financial assessment.
- Correcting any omissions (things left out) of the financial assessment.

To ask for an appeal you can contact the finance department and ask to speak with the team manager.

## **Contact the Ombudsman:**

If the above steps have not resolved your concerns; you can contact the Ombudsman.

The Ombudsman is an independent organisation.

They investigate complaints about social care.

It is a free service.

You can find information about what they do on this webpage:

[www.lgo.org.uk](http://www.lgo.org.uk)

# Financial Assessments – Glossary

Below are some words used in this booklet, and their explanations.

<b>Eligible person</b>	<p>Someone has had an assessment of what care and support they need completed by the council.</p> <p>The council has said that the person needs care to make sure that their needs are met.</p> <p>They become known as the 'eligible person'.</p>
<b>Contribute/contribution</b>	<p>The amount of money that you have to pay towards the care and support you are getting.</p> <p>Some people pay for all of their care.</p> <p>Some people pay for some of their care and the council pay the rest.</p> <p>Some people do not pay for their care and the council pay for it all.</p>
<b>Residential care</b>	<p>Where you are living in a care/nursing home and getting your care there.</p>
<b>Non-residential care</b>	<p>Where you are NOT living in a care home but getting care e.g. care in your own home, going to a day centre.</p>
<b>Representative</b>	<p>Someone who speaks to other people with your/legal permission.</p>

# Financial Assessments – Glossary

<p><b>Lasting Power of Attorney</b></p>	<p>A person you have said can make certain decisions for you/on your behalf.</p> <p>There is a legal document that you and certain other people complete to put a LPA in place.</p> <p>This LPA must be registered with the Office of the Public Guardian (OPG) for it to be legal and work.</p> <p>Usually, the person can start making these decisions when you are no longer able to – when you lose capacity.</p> <p>For financial affairs and property you might have said that the person can make some decisions, with your permission, whilst you still have capacity.</p>
<p><b>Court Appointed Deputy</b></p>	<p>A special court called the Court of Protection has agreed that someone can make certain decisions for you/on your behalf.</p> <p>They are known as deputies.</p> <p>If someone has lost capacity and there was no LPA in place, a court application would be needed for a deputy to be put in place.</p>

# Financial Assessments – Glossary

<b>Allowance</b>	The amount of money that is not taken into account in the financial assessment.
<b>Disregard/disregarded</b>	Something is ignored or not included in the financial assessment.
<b>The Care Act (2014)</b>	<p>A law that the councils in England have to follow when supporting people who have care and support needs.</p> <p>This law also has 'statutory' guidance – something that the council must follow when supporting people with care and support needs.</p>

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# Notes

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