

## Permanent Residential Care Financial Assessment Calculation Example 2: The 12 week property disregard

Joe has had a lot of falls recently and is unsafe being left alone. He lives alone and owns his own property. Joe has modest savings, and a reasonable income. He receives a pension from the Army where he served as an officer, and a further pension from the Prudential where he worked as an insurance salesman until his retirement.

The Benefits and Contributions Adviser has checked Joe's property ownership details with the land registry. Joe appears eligible for a deferred payment in due course. However, for the first 12 weeks of residential care, the value of Joe's home is not included in his financial assessment. If Joe decides to sell his home, and it sells within the 12 weeks, then he will pay for his care in full from that date.

Joe has been offered a care home that costs £600 per week, however Joe decides he is going into a residential home costing £950 per week. The Council funding, including Joe's contribution will pay £600, leaving a shortfall of £350 a week. During the 12-week property disregard, Joe can pay this shortfall (known as a top-up) from his own savings.

Here is Joe's assessment for permanent residential care:

<b>Weekly Income</b>	£	£
State Pension	192.60	
Army Pension	102.10	
Prudential Pension	45.60	
		340.30
<b>Capital</b>		
Santander Current Account	1262.00	
Santander Easy Saver	4000.00	
Santander ISA	12134.00	
	17396.00	
<i>Tariff Income</i>		13.00
<i>less</i>		
<b>Housing Costs</b>		
Buildings and Contents Insurance	5.96	
		-5.96



		347.34
Less Personal Expenditure Allowance		-30.65
Assessed Care Contribution		316.69

As Joe receives Attendance Allowance at the higher weekly rate (£92.40), this remains in payment for the first 28 days. The full amount of his Attendance Allowance is included in the contribution for the first 28 days. Joe will pay £409.09 for 4 weeks, reducing to £316.69 for the remaining 8 weeks until the 12-week property disregard ends. As Joe will be self-funding following the 12-week property disregard, he can re-claim attendance allowance which the DWP will put back into payment.

If Joe decides to take the offer of a deferred payment from the Council then his contribution from his income will be no more than £409.09 per week. Joe will have the option to retain more of his income once the deferred payment agreement is signed.

