The 12-week property disregard

When you are in a care home you are entitled to retain a nominal amount of income each week, known as Personal Expenditure Allowance (PEA). This amount is reviewed and set annually by the Department of Health.

If you have capital of less than the higher capital limit, and own a property that only you live in, then you may be entitled to a 12 week property disregard for the first 12 weeks you live in a care home on a permanent basis.

The purpose of the 12 week property disregard is to allow you time to decide how your property asset will help you fund your care costs in the future.

The Benefits and Contributions Adviser carrying out your financial assessment will tell you whether or not you qualify for this disregard

If you decide to sell your home, it may be sold before the end of the 12-week property disregard. In this case, you will no longer have a property, and your capital will likely exceed the Higher Capital Limit. You will become responsible for paying your own care costs from the date your property sells.

At the end of the 12-weeks you will be required to pay the full cost of your care. You do not need to sell your property: you may choose to rent it out or apply for a Deferred Payment Agreement to cover your ongoing care costs. You can seek other sources of funding to pay for your care.

The Council has discretion to apply the 12 week disregard when you are already in permanent care if there is a sudden or unexpected change in your financial circumstances.

If you have a high weekly income, it may be financially beneficial for you not to take the offer of the 12 week property disregard. Any element of Council funding means that you are not entitled to receive Attendance Allowance after 28 days. If you are able to pay for your care in full from your income, then it is advisable to decline the offer of a 12 week property disregard, and to continue to claim Attendance Allowance throughout. The Benefits and Contributions Adviser will be able to advise if this scenario applies to you.