

Care home fees and treatment of couples

About this factsheet and who it is for

Having spent many years living together it can be a very difficult, emotional and worrying time when one of both members of a couple need to move into a care home. This factsheet aims to clarify exactly how couples are treated by local authorities in the financial assessment for care home fees.

The artwork on the front of this factsheet was done by an older artist for EAC's over 60s Art Awards.



Introduction

A move into a care home can be a time of great worry and stress for the person moving into care, but it can also cause concern amongst members of their family, especially if there is a partner or spouse who might consequently end up living by themselves.

This factsheet aims to answer questions that you may have about what happens when both members of a couple move into a care home, when one member of a couple moves into a care home and what options are available for the partner who remains at home.

Both members of a couple assessed as needing to live in a care home

Local Authorities have no power under the Care Act to assess couples, married or unmarried by combining their resources in one assessment. Consequently, if both members of a couple are assessed as needing care, the local authority must carry out separate financial assessments according to each individual's own resources, and that person's share of any jointly owned resources.

Prior to a financial assessment, it is likely that both members of a couple will be offered an assessment of their care

needs; this is usually arranged through the social services department of their local authority.

This assessment is important as it provides the local authority with their legal duty, we therefore advise that the psychological and social needs, as well as physical needs, should be highlighted and included in the assessment. This will ensure that if it is important for the couple to remain together, in the same care home, that this is acknowledged and supported by the local authority.

One member of a couple assessed as needing to live in a care home

If only one member of a couple is assessed as needing to move into a care home only that member should be financially assessed according to their own resources and their share of any joint resources.

Treatment of Private Pensions

Where one member of couple, who are married or in a civil partnership, moves into a care home and is in receipt of an occupational or personal pension, they have the option of passing half of this amount to the partner remaining at home. In the case of unmarried couples

the local authority can apply this rule at their discretion.

Varying the Personal Expenses Allowance

If a partner remaining at home has been left in financial hardship, the local authority does have the discretion to vary the care home resident's personal expenses allowance (which is a minimum of £24.90) to allow a maintenance payment to be paid to his/her partner at home. In doing so, however, they must consider the effect such a payment may have on any means tested benefits the partner at home is already receiving or could claim. Such a payment would be regarded by the Department of Work and Pensions Benefits Agency as income and may only have the effect of reducing benefit entitlement by the same amount.

Where the member of a couple in the care home has all the financial resources and the local authority does not allow money to be returned to their partner at home, the situation may possibly be resolved through using the local authority's complaints procedure or by complaining to the Ombudsman.

The Marital Home

When one member of a couple enters a care home the value of his/her former

home, whether they are the sole owner or whether it is held jointly, is disregarded as capital as long as it is occupied in whole or in part by his/her partner.

Should the partner remaining at home wish to sell the property and perhaps downsize into more suitable accommodation, their partner's share of the proceeds could be taken into account in the charging assessment. However, should the care home resident wish to make available part of his/her share of the proceeds to their partner to enable the purchase of the smaller property, local authority guidance states that it would be reasonable for this amount to be disregarded. Any surplus of the partner's share of the proceeds could then be taken into account through the means test.

Couples should give consideration as to whether jointly owned property should be held as a joint tenancy or as tenants in common. The advantage of the latter would enable each partner to leave their share of the property to the beneficiaries specified in their will, rather than to their partner who, if he/she was in a care home could have to use the value of the whole property to pay for care costs. Such a change in status of ownership can be effected by either party without consultation. It is advisable to take legal

advice before changing the method of ownership from a joint tenancy to tenants in common.

Money Tip for Joint Savings

Where savings are held jointly the local authority will only take into account the 50% share of the person needing care. In these circumstances it might be sensible to separate joint savings allowing the care costs to be paid from the account of the person in the care home.

This is a completely legal process, but it is wise to seek permission from both of the joint account holders before withdrawing money and setting up separate accounts.

If one member of a couple no longer has capacity, it may be necessary to register a Power of Attorney, or apply to the Court of Protection for deputy powers in the absence of a Power of Attorney that was set up whilst the person had capacity.

Further information on these legal powers can be found in our factsheet on Arrangements for making decisions for other people.

To illustrate the benefit of splitting your joint accounts, the following table demonstrates the money that could be saved by the partner remaining at home if you were to split a joint account worth £60,000.

One Joint Account	Two Separate Accounts	
	Partner in care	Partner at home
Joint Account	Partner in care	Partner at home
£100%	£(50%)	£(50%)
Account Balance 60,000	30,000	30,000
Care fees payable 13,500	6,750	-
46,500	23,250	30,000
50% = £23,250 means test limit	Fees paid only by the partner in care	
Eligible for state funding after £13,500 paid.	Eligibility to state funding after £6,750	
	(Saving of £6,750)	

Care funding from April 2020

The following changes to the way in which care and support is funded was due to be implemented in April 2016, but has now been postponed until 2020 by Government.

Note: The figures given below are based on those proposed for the postponed 2016 reforms; these figures may therefore change before the introduction of these reforms in 2020.

A £72,000 cap on care costs

This will come into effect from April 2020 and effectively ‘caps’ the amount you should spend on *care* in your lifetime.

Every person receiving care will have a ‘care account’ managed through social services which will ensure that contributions you make towards your care from April 2020 are counted towards the cap. It is important to be aware that only care you have been assessed as needing, up to the cost of what the local authority would usually pay for this service, will contribute to the £72,000.

For care home residents, it is important to note that only the ‘care’ element of your bill will contribute towards this cap. You will always be expected to pay towards the care home’s ‘hotel costs’ (such as bed & board), which do not

count towards the £72,000 cap. These costs are likely to be set at a figure of £12,000 per year (£230 a week).

An increase in the upper capital limit from £23,250 to £118,000

This will come into effect from April 2020 and effectively means you may be entitled to financial assistance from your local authority sooner than you would be under the current system.

The current lower capital limit of £14,250 is also rising in April 2020 to £17,000. This is the minimum figure that must be disregarded when calculating your assets.

However, it is important to remember that your capital between £118,000 and £17,000 is still taken into account to form an ‘income’ at a rate of £1 for every £250 that you have (this is equal to £404 per week for those with assets of £118,000); this is then combined with your actual income from pensions and state benefits. If this total income figure is higher than the council’s personal budget for you, then you may not be entitled to any financial support.

About FirstStop Advice

FirstStop is a free information and advice service designed to help older people decide how best to meet their needs for support, care and suitable housing. It is provided jointly by a growing number of national and local organisations and it is led by the charity, Elderly Accommodation Counsel (EAC).

About FirstStop Financial Advice

Working together, EAC and its partners in FirstStop Advice provide comprehensive information and guidance to help you afford the care, accommodation or services you need.

FirstStop's national Advisors are trained to advise on:

- What you may be entitled to in state benefits and financial help from your local authority;
- Whether you may be entitled to help with your care costs;
- Ways of making your income and capital go further;
- Services that are provided free by local and national voluntary organisations;
- Homesharing, co-housing and other mutual support networks.

A key FirstStop partner organisation is the *Society of Later Life Advisers (SOLLA)*.

SOLLA's members are regulated Financial

Advisers who specialise in providing financial advice to older people, they also adhere to the Society's Code of Best Practice.

If you decide, after speaking to us, that you would like advice from a SOLLA member, we can provide local details to you.

(Neither EAC or FirstStop has any financial interest in SOLLA or its member IFAs)

Contact us

- Visit us online: www.housingcare.org

The information contained in this factsheet is intended to be, and should be regarded as, a brief summary and is based on our understanding of present legislation, regulations and guidance. No responsibility can be accepted for action based on this information.

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