

Your Permanent Residential Financial Assessment Outcome Explained

You will receive confirmation of your assessed charge similar to below. We will also send you a factsheet which gives an explanation of how we have made that calculation.

MR AN EXAMPLE (1)
Number 1,
xxxxxxx
xxxxxxx
Essex
XXX XXX

The name of the Care Home where you are resident will show here. See 'overview' for full explanation (Ref no 2)
OR
If you are not yet placed, after your name and reference number it will say "FINANCIAL ASSESSMENT EXPLANATION OF HOW WEEKLY ASSESSED CHARGE HAS BEEN CALCULATED"

MR AN EXAMPLE - REF:123456789 – "CARE HOME NAME"

FOR THE PERIOD FROM 08 APR 2024

AS A PERMANENT RESIDENT

EXPLANATION OF HOW WEEKLY ASSESSED CHARGE HAS BEEN CALCULATED

(a) Money coming in (4)	Amount (3)	Taken into account
Benefits		
Ret Pen Cont.	£169.50	£169.50
Retirement Pen.	£11.39	£11.39
Guarantee Credit	£25.72	£25.72
Savings Credit	£1.58	£1.58
Occupational Pension(s)		
Superannuation	£11.54	£11.54
Tariff from Capital		
Bank/Savings Acct	(£4,750.00)	
Capital Holdings	(£10,000.00)	
£14,750.00 less £14,250.00 disregard @ £1.00 per £250.00		£2.00
	Sub Total	£221.73
(b) Expenses you have (5)		
	Sub Total	- £0.00
(c) Allowances deducted from income (6)		
Personal allowance		£30.15
Savings credit disregard		£1.58
	Sub Total	- £31.73
Calculation (7)		
Money coming in	(a)	£221.73
Expenses you have	(b)	£0.00
Allowances	(c)	- £31.73
Your weekly amount payable		£190.00

Retirement Pension will be split in two, basic allowance plus additional contributions. Mr E's total Retirement Pension is £180.89

Term used for your 'private pension'

We include £1 income for every £250 you have over the lower threshold. See * in 'overview' for full explanation (Ref no 4)

This is your Personal Allowance which you keep from your income.

See * in 'Overview' regarding Savings Credit Disregard for full explanation (Ref no 6)

Overview:

- (1) Your name and address **or** your name plus the name and address of your nominated financial representative will appear in the top left hand corner.
- (2) Your name and personal reference number appears next followed by the name of the residential home (if placed) and the date from which the 'Assessed Charge' is applied – in this case it is **08 April 2024**. It will also state whether the stay in the home is Temporary or Permanent.
If not placed, there will not be a care home name or date; it will say "**Financial assessment explanation of how weekly assessed charge has been calculated**"
- (3) You will see there are two columns... 'Amount' and 'Taken into Account'. Figures in sections (a) the amount of income you receive and section (b) expense you pay for appear in the 'Amount' column. What is actually included in the Financial Assessment is then in the 'Taken into Account' column.

(4) **Section (a)** Money coming in:

This shows your income, including any benefits you receive and pensions. It also includes any tariff we include on your capital (see below*). If you are in Permanent Residential Care, the assessment will automatically calculate the amount of 'means tested benefit' (depending on your age) you are entitled to, if any. In this example it shows that Mr Example is entitled to Guarantee Credit and Savings Credit. It is his responsibility, or that of his representative to make a claim for this benefit, Essex County Council will take this income into account from Day 1 of Mr Examples stay. For a Temporary stay we only take into account Pension Credit if it's already in pay.

We disregard the first £14,250 from any savings or capital you have (including your current account or cash you may have). Share values are calculated at 90% of their price on the day of your financial assessment.

*If you have capital/savings over **£14,250 and below £23,250 we will assume an income of £1 per week for every £250 (or part of), referred to as tariff income. You can see the calculation on the example - £14,750.00 less £14,250.00 disregard @ £1.00 per £250.00 = £2.00**. This is not meant to represent interest earned but a reasonable

usage of your capital/savings.

The value of any second property/land (such as a holiday home) is taken into account and the value of that property will be included as savings under 'Notional Capital'.

If your total capital/savings are over £23,250 you will pay for the full cost of your stay and the 'sub-total' of section (a) will not be a figure as in our example (£190.00) but it will say 'FULL COST'.

(5) **Section (b)** Expenses you have:

This shows the housing expenses that you have declared and have verified by providing invoices, bills, receipts/proof of payment. Your share of some housing expenses only will be considered for:

- ▶ Temporary stays
- ▶ Permanent stays for 12 weeks where we have taken your property into account but disregarded it for the '12 week property disregard period'. See 'property' below.

Disability Related Expenses are not considered for Residential services.

Mr Example does not qualify to have any expenses considered as he rented his property which he surrendered on entering the Residential home.

(6) **Section (c)** Allowances deducted from income:

The Department of Health (DOH) sets the amount of Personal Allowance you can keep from your income. This is the same for all age groups and they review each financial year. Currently it is £30.15.

*If you are over 65 you may be entitled to the Savings Credit element of Pension Credit. The DOH states that we must disregard up to the first £6.50 of savings credit received. If you have too much income or savings to qualify for savings Credit we may disregard the first £6.50 so as not to disadvantage you.

(7) **Calculation:**

Finally the example calculates your net assessable income; your total income (a) less your total expenses (b), less your 'allowances' (c).

Mr Examples 'Assessed Charge' is **£190.00**. If section (a) has calculated you as full cost then the figure will be replaced with the words 'FULL COST'.

Overview:

Property:

If you own your home and the property has been taken into account for financial assessment purposes, you will receive **two** assessment outcomes, they will look slightly different:

No 1: for the first 12 weeks of your stay, this being your '12 week property disregard period' will:

- ▶ Only include your Pension Credits if they are already in pay, not automatically applied.
- ▶ Include your share of any housing costs you may have.

No 2: from week 13 of your stay will then:

- ▶ Remove any Pension Credit in pay from your income (section a) as you will lose this income paid by the Department for Work and Pensions.
- ▶ Still allow the savings credit disregard (section c).
- ▶ The estimated value of your property will be included as capital/savings under Notional Property Value; making you FULL COST (see section a).
- ▶ Remove housing costs apart from your share of Mortgage, Service Charges and Ground Rent.
- ▶ Show an additional allowance called 'Property PA' for up to £115.75 (2024/25) to allow for reasonable maintenance, insurances and utilities for the property.
- ▶ The following statement will be at the bottom of the page:
"You have been assessed as full cost due to your property being taken into consideration within your financial assessment.
Should you wish to defer charges, please complete the Deferred Payment Application Form, which will be sent to you by the Income Property Team. If you have any questions regarding Deferred Payments, please contact the Property Team on 03330 135860 Option 1 or email us at: DPAqueries@essex.gov.uk".