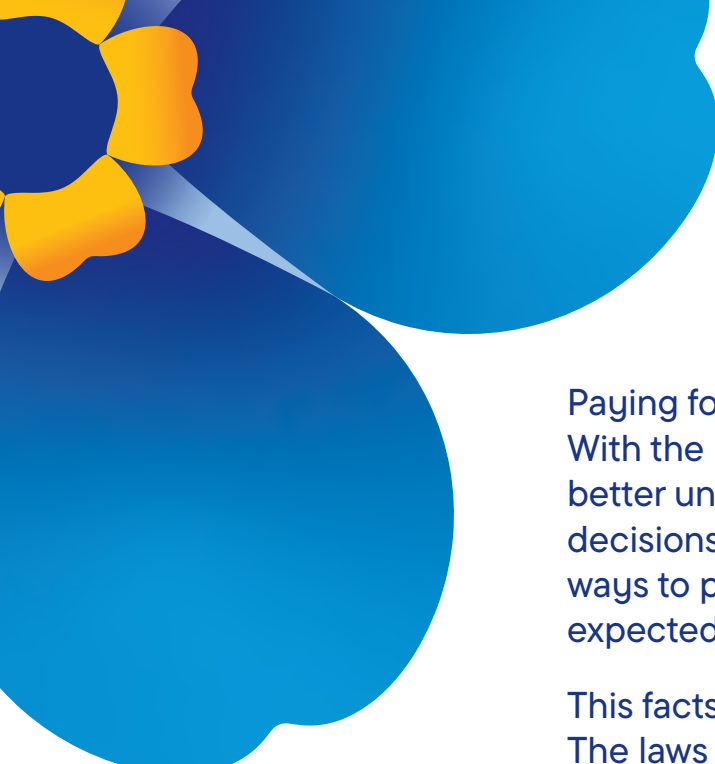


Paying for care and support in Wales



Together we are help & hope
for everyone living with dementia



Paying for care can be worrying to think about. With the right information and support, you can better understand your options and make the right decisions for you. This factsheet outlines the different ways to pay for care, and the amount you might be expected to pay.

This factsheet is for people living in Wales. The laws in England and Northern Ireland are different. See factsheets 532, **Paying for care and support in England** and NI532, **Paying for care and support in Northern Ireland** for more information about the laws in those countries.



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1 The care assessment

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Many people with dementia need care and support as their condition progresses. Each person has individual needs, so the types of care put in place will be different for everyone.

To work out what a person's needs are, they will need a care assessment (also sometimes referred to as a 'care needs assessment') from their local authority. The assessment looks at how the person manages activities such as washing, cooking or maintaining relationships. It will show whether the person has care needs that may be eligible for help and support from their local authority. These are known as 'eligible care needs'. If they do, the local authority will then make a care and support plan. They will do this with the person, as well as their carer (if appropriate).

Some people may be happy to arrange and pay for their own care and support. However, an assessment could still help decide what care options are most appropriate for the person. Anyone is allowed to request a free care assessment from the local authority.

For more information see factsheet W418, **Assessment for care and support in Wales**.

The local authority may charge for care and support services. However, some types of care and support must be free of charge.

These include:

- intermediate care, including reablement (care that can support a person to regain independence or help them relearn daily living skills) for up to six weeks
- aftercare or support provided under the Mental Health Act 1983 section 117
- transport to a day service where the transport is provided as part of meeting a person's needs
- independent professional advocacy where a local authority has arranged it.

NHS-funded nursing care and NHS continuing healthcare are provided by the NHS. They are not provided by the local authority and are free of charge. The local authority should refer a person for an assessment for these if they think the person may be eligible.

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Who pays?

Once the local authority have made a care and support plan, they will decide whether to charge for the care they provide for the person with dementia. If they do decide to charge, a financial assessment must be completed.

The financial assessment will consider the person's capital and income. It is used to work out if the person will receive any help with funding their care costs. The rules are different for homecare and residential care. The next section describes the financial assessment process in more detail.

Most people will pay a contribution towards their care costs, with their contribution decided by the financial assessment. Sometimes, the person's care will be fully funded by the local authority or the NHS. Some people who require residential care will pay for all their care costs – this is called being a 'self-funder'.

2 Financial assessments

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To help decide who will pay for care, the local authority will carry out a financial assessment. The financial assessment rules for homecare are different to the rules for a residential care home – each is described separately in this section.

Financial assessment forms

The person with dementia will be asked to complete some forms about their finances. Someone from the local authority may be able to visit to help the person fill in the forms.

In these forms, the person with dementia will have to fill in the details for two things:

- **income** – this refers to any money the person receives regularly. For example, this could be a pension. It can also include benefits such as Universal credit or the Guarantee credit element of Pension credit. It doesn't include any money the person earns if they are working.
- **capital** – this refers to any other assets the person has. This includes savings and investments, such as stocks and shares. In some cases, it includes the value of the person's home (for example, when paying for care home fees). It does not include personal possessions, such as jewellery.

The person may lack the mental capacity to take part in this process. The local authority will then need to find out if there is anyone who has the appropriate authority to be involved in the person's financial affairs. This could be an attorney under a Lasting or Enduring power of attorney, or a deputy. If there is no such person, then a family member or the local authority may need to apply to become the person's deputy.

For more information see factsheets 472, **Lasting power of attorney**, 530, **Deputyship** and 460, **Mental Capacity Act 2005**.

It can feel like an invasion of privacy when the local authority are looking into a person's finances. However, it is important to make sure that the person is charged the right amount for their care. The person could be charged the full amount if they refuse to answer the financial questions.

If they lack the mental capacity to take part, they should not be penalised for that. The local authority should be working with an attorney or deputy instead.

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Based on the information in these forms, the local authority will decide what to include in the person's financial assessment. For each type of capital and source of income the person has, the local authority will either:

- fully take it into account (known as 'available' capital or income)
- partially take it into account
- ignore it completely (known as 'fully disregarding' it).

For example, some benefits like the Personal independence payment (PIP) mobility component will be fully disregarded and not expected to contribute to care costs. Whereas other benefits can be fully or partially taken into account and expected to contribute to care costs.

When deciding what to charge, the local authority must treat everyone fairly. If a person is concerned that the local authority are treating them unfairly, they can put in a complaint. See 'Complaints' on page 16.

Paying for homecare

Some people's care needs can be met at home. If so, they will be financially assessed according to the rules for homecare.

The limits listed in the following sections are accurate as of 2024 but may change in the future. Some local authorities may be more generous. Ask to see the local authority's charging policy.

The maximum weekly charge and capital limits

In Wales, there is a maximum weekly charge for homecare. The current maximum weekly charge is **£100** per week. This means that nobody should be charged more than £100 per week for their care at home. This includes care packages offering support with daily activities such as washing and dressing, day centres and most types of respite.

Some people will be charged less if their care costs less. For example, if the care only costs £30, that is the maximum charge the local authority can ask for.

A person will also be charged less if they have less than the capital limit for homecare and limited income. The capital limit for homecare in Wales is currently **£24,000** (2024 rate).

If the person has **more** than £24,000 in available capital, they can be asked to pay for their own homecare. This will only be up to the maximum weekly charge amount. Their homecare may cost more than the maximum weekly charge. In this case, the local authority will contribute and cover any costs above this.

If the person has **less** than £24,000 in available capital, their capital will not be included in the financial assessment. The local authority will only consider their ability to pay for care using their income. The local authority must ensure the person keeps enough income to pay for their living costs. This is known as their Minimum income amount (MIA).

Minimum income amount (MIA) for homecare

The MIA is the minimum amount of income the person must be left with each week. The amount is different for homecare and residential care.

The MIA for homecare is designed to be enough income to pay for living costs. These may include rent, food and utilities. The MIA only comes into effect if a person has less than the capital limit for homecare. This limit is currently £24,000.

The MIA is made up of three parts:

- A basic entitlement – this amount will depend on whether a person is:
 - single or in a couple
 - over or under State pension age
 - a carer or living with a disability.If someone claims Pension credit guarantee credit, the basic entitlement will be the amount they get from that.
- A 35% 'buffer' – this must be at least 35% of the person's basic entitlement.
- An additional 10% of their basic entitlement to cover any disability-related expenditure (DRE). Examples could be community alarms, food for a specialist diet or extra laundry costs.

The person will always be allowed to keep this amount of protected income. This is income that can't be used to pay for care costs. They may be able to keep more in some circumstances. For example, this may happen if they have higher disability-related expenditure (DRE) costs. They should speak to their local authority to find out more about these circumstances.

If a person's income is less than their MIA, they should not be charged for care at home. If a person's income is over their MIA limit, they can be asked to contribute the amount that goes over the limit. However, they won't pay more than the maximum weekly charge.

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Flat rate charges

Local authorities may charge a set amount for low-level, low-cost care and support services. This is called a flat rate charge. These services are usually to help people with ordinary day-to-day living, such as meals or laundry costs.

Local authorities are not under a duty to carry out financial assessments for services charged at a flat rate. However, if a person raises concerns about affording flat rate charges, the local authority must carry out a financial assessment.

Other people may be charged flat rate charges as well as their assessed contribution for their homecare. These services do not come under the maximum weekly charge. If all these charges are unaffordable when added together, speak to the local authority. They may take this into account and leave the person with a higher MIA.

Direct payments

If homecare is being funded by the local authority, a person can choose to receive this funding in the form of a direct payment. A direct payment is money that a local authority gives to someone to spend on meeting their own eligible care and support needs. The money can be spent on a wide range of products and services, and is intended to give greater choice and control over how eligible needs are met.

For more information, ask the local authority.

Paying for residential care

Some people's care needs will be met in a care home. These people will be financially assessed according to the rules for permanent residential care. Unlike homecare, there is no maximum weekly charge for permanent residential care.

Capital limits

The capital limit for permanent residential care in Wales is currently **£50,000** (2024 rate).

If the person has **more** than £50,000 in available capital, they will pay all of their own residential care costs. This is often known as being a self-funder.

If the person has **less** than £50,000 in available capital, they will not pay any of their care home fees out of their capital. Capital below £50,000 is ignored in the financial assessment. They will still usually pay an assessed contribution from their income. This includes income such as State pension and most benefits.

Minimum income amount (MIA) for residential care

If a person is contributing to their care home fees, which most people will, they must be left with a minimum amount of money for themselves each week. This is called the Minimum income amount (MIA). The MIA for residential care is less than the MIA for homecare. This is because a lot of the resident's living costs are covered by their care home fees.

In Wales, the MIA rate for residential care is **£39.50** per week (2024 rate).

The person with dementia can spend this money as they wish. It is not a benefit, but the person's own income, made available to them. This can be used for anything they choose, such as newspapers, haircuts or clothing.

There are some circumstances where the local authority increase the MIA. For example, this may happen if the person has an occupational pension being paid to them. They can keep half of this income to pass back to their spouse or civil partner who is still at home. The local authority must allow this.

The local authority must consider increasing the MIA for other reasons too. For example, the local authority may need to do this to cover some housing costs where the person's property is disregarded in the financial assessment. See page 11 for more information on property.

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Respite care

Local authorities provide some respite services free of charge. If they do charge, it is the person with dementia who is financially assessed. This is true even if it is the carer who needs the break.

Respite care may be provided in a care home. In this case, it will still be subject to the maximum weekly charge if the person with dementia is classed as a short-term resident. This usually means their stay will be shorter than eight weeks. For more information see factsheet W462, Respite care in Wales.

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3 Benefits

The local authority expect people to claim benefits they may be entitled to. They should offer support to help the person do this.

Most benefits claimed will be included in the financial assessment for care.

If the person is receiving **care at home**, the local authority will fully or partially include the following benefits as income:

- Severe disability premium
- Disability living allowance – daily living component
- Personal independence payment – daily living component
- Attendance allowance.

If someone is assessed as needing a service during the day, the local authority should not count benefits received for care at night. For example, a person may receive higher-rate Attendance allowance for supervision at night. In this case, the local authority shouldn't include this extra money in the financial assessment if they only provide support during the day.

If the person is receiving **care in a care home**, the financial assessment will include most benefits. This includes those often claimed by people living with dementia. This might be Pension credit or Universal credit. Some benefits must not be taken into account in the financial assessment for care. This includes the mobility part of both Disability living allowance and Personal independence payment. Some other benefits, for example, the War widow's pension, should only be partially counted.

Financial support and benefits

If the person receives financial support for the costs of care, this may affect their benefits. This depends on where the person with dementia receives care.

- If the person is receiving **care at home** and gets funding for homecare fees, this will not impact their eligibility for benefits.
- If the person is receiving **care in a care home**, their benefits may be affected. This will depend on who is paying the care home fees:
 - If the person is a self-funder and is paying for their care costs in full, they can still receive some benefits. This includes Attendance allowance or Personal independence payment daily living component. These can help towards paying care home fees.
 - If the local authority are contributing towards the care fees, any benefits the person continues to receive will go towards the cost of care. This includes their State pension, or any benefits they claim as an income replacement. In these cases, the person must be left with their MIA rate for residential care. If someone receives funding help with care home fees, some benefits usually stop being paid after 28 days. An example would be Attendance allowance.

The Department for Work and Pensions (DWP) should be informed of any stays in care homes or hospitals to ensure there are no overpayments.

It may help to arrange a full benefits check. Advicelink Cymru or Age Cymru can also explain what financial help is available. The person's carer may also find this useful, such as to discuss protecting their pension rights. See 'Other useful organisations' on page 17 for contact details.

For more information on benefits, see factsheet 413, **Benefits for people affected by dementia**.

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4 Partners and property

The local authority should not usually ask for details of a partner's finances. They should only ask about which capital and income belong to the person being assessed and which belong to their partner. Once they know this, the assessment should only take into account the finances of the person who needs care. The only exception to this is where there would be a financial advantage for two people to be assessed as a couple.

If the person has joint bank accounts or other assets held jointly, the assessment can only include the share belonging to them. It will be assumed that the person's share is half (50%) of these joint assets, unless they can show otherwise.

Deprivation of assets

The Social Services and Wellbeing (Wales) Act 2014 is clear that people are generally free to spend their money as they see fit. This is important for promoting their wellbeing and enabling them to live independent lives. However, it should not be done deliberately to avoid or reduce how much they need to pay towards their care.

A person may intentionally get rid of assets such as property or money to reduce the amount they need to pay for their care. This is classed as a deliberate deprivation of assets. For example, this may be giving money away to someone else, or transferring ownership of a property into someone else's name.

When deciding whether a deprivation of assets has taken place, the local authority will consider:

- whether the person had a significant motivation to avoid or reduce a charge
- if a person got rid of assets at a time when they had a reasonable expectation of needing care
- whether a person would have had a reasonable expectation of needing to pay towards their care, either now or in the future.

If the local authority think the person has deliberately reduced their assets, they may still include the value of those assets in the financial assessment – as if the person still owned them. If another person has benefitted from the deprivation, they may be made responsible for covering the costs.

Home and property

A person's home may be included in the financial assessment. This depends on where the person with dementia is receiving care.

The value of the person's home is not counted in their financial assessment if they receive **care at home**. It should not be used when deciding their contribution towards the cost of this type of care.

The person may be **living in a care home**, but still own their own home. This may mean that their home value is included in the financial assessment.

There are some situations where this is not the case. In these instances, the home will not be taken into account, even when paying for care home costs. This is when one of the following people who lives in the property will continue to live there after the person has moved into a care home:

- a husband, wife, civil partner or partner
- a close relative over the age of 60
- a dependent child
- a relative who is disabled or incapacitated.

The person's house might also be the permanent home of someone who has been caring for them, such as a friend. For as long as the carer is living there, the local authority have discretion to decide whether to include the value of the home in the assessment. This is more likely to apply in cases where the carer has given up their own home to care for the person with dementia.

The value of the person's home should not be taken into account for the first 12 weeks they are permanently living in the care home. This is called the '12-week property disregard'. This may mean that, during this time, the local authority will pay or contribute towards the care home fees. This grace period can give people time to sell the home, or to speak to the local authority about other options.

The property disregard will end if the property sells before the end of the 12-week period. To benefit from the full 12-week property disregard, the local authority must be told before a person becomes a permanent care home resident.

If the home is not sold within 12 weeks, the person may be able to enter into a deferred payment agreement (DPA). In this arrangement, the local authority pay the person's care home fees for them. Then, when the person sells their home, they must repay the local authority the cost of the care home fees. See page 13 for more information.

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5 Choice of care homes

The local authority will have an upper limit (known as 'usual rate' or 'usual cost') that they will pay for a care home. Legally, the local authority must offer more than one care home option that meets the person's needs. The person has the right to choose between different homes as long as:

- the accommodation can meet the person's assessed needs
- it is within the local authority's usual commissioning rate
- the accommodation has a place available and will enter into a contract with the local authority.

It may not be possible to meet the person's needs while staying within the usual rate. In this case, the local authority must fund the person's care in a more expensive care home. No one should be asked to pay a top-up fee to cover the extra costs in these circumstances.

Paying top-up fees for a more expensive care home

The person with dementia (or their carer, deputy or attorney) might want to stay in a more expensive care home. However, the local authority may have already offered care home places available within their usual rate that meet the person's needs.

In this instance, the local authority may agree to part-fund the person's place in a more expensive care home. This can happen as long as a third party (such as a relative) agrees to pay the extra cost. This is often referred to as a 'top-up' fee.

The local authority must ensure that the person paying the top-up is willing and able to pay. This person enters into a written agreement with the local authority, who will have a contract with the home. The agreement should explain what will happen should fees change, or the person can't pay the fees.

If the person stops paying the top-up fee, the local authority may ask the resident to move to a different care home within the usual rate. This new home must meet the person's assessed needs.

This move can be disruptive to a person with dementia. For this reason, the person paying must bear in mind how long they may have to pay the extra amount. Care home costs may also go up over time.

Self-funding

If someone is paying their own care home fees in full, they can agree the financial arrangements directly with the care home.

When making these arrangements, ensure that there is a contract that clearly explains:

- the home's obligations
- the fees
- the services included in the fees
- what may be charged as 'extras'
- how much notice will be given if fees increase.

A person with dementia may lack the mental capacity to make the arrangements with the care home. Their attorney under a Lasting or Enduring power of attorney or their deputy can do that on their behalf. If no one has been appointed, the local authority have a duty to make these arrangements for them. The person with dementia will still be charged for any care arranged.

Deferred payment agreements (DPAs)

DPAs allow the person to 'defer' paying the costs of a care home if they're not able to sell their home immediately. The local authority loan the money needed to pay the care home fees.

A legal charge, which is a written agreement a bit like a mortgage, is placed on the person's property. When the debt is repaid – which is usually after the property is sold – the charge is removed. This may be a temporary arrangement (used as a bridging loan). It could be a long-term arrangement and last until after the person's death. For instance, this can be used if the person's carer needs to continue living in the property.

All local authorities must offer a DPA scheme. To be eligible, the local authority must agree the person's needs are best met in a care home. The person must also have less than £50,000 in capital outside of the value of the home. Local authorities can refuse to take up an agreement with people in certain circumstances. For example, this can happen if the value of the person's home isn't high enough to cover the loan.

The local authority usually charge a fee to set up the DPA, and they may also charge interest on the loan.

A DPA is a complicated financial transaction. The local authority should give the person the advice and support they need before taking part in an agreement with them. MoneyHelper is a website that gives simple advice. This includes information about DPAs and renting. See 'Other useful organisations' on page 17 for contact details.

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A person may lack the mental capacity to enter into a DPA. An attorney under a Lasting or Enduring power of attorney or a deputy would need to do that on their behalf. The attorney or deputy would need to be able to show that the DPA was in the person's best interests.

6 Getting advice from the local authority

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The Social Services and Wellbeing (Wales) Act gives people the right to ask for clear, written information from their local authority. This should help people with dementia, carers and families to make informed choices about care and support.

For example, someone may ask for advice about paying for care charges. The local authority should signpost them to independent and impartial sources of advice.

A person may lack the mental capacity to engage in the care planning process. They may have nobody to support them. The local authority must then appoint an advocate for them. The advocate can represent the person's wishes and help keep them involved.

If the person refuses to pay care costs

The person's local authority must legally meet the person's eligible care needs once those have been assessed. A person who does not have the mental capacity to decide about paying for their care may refuse to pay their care costs. In this case, the local authority cannot withdraw the service. They should continue to meet the person's needs while attempting to resolve any dispute. The local authority would need to involve the attorney or deputy if the person has one. If they don't, the local authority may need to apply to become a deputy themselves to access the person's finances.

Sometimes, the person does have mental capacity but refuses to pay. In this case, the local authority still have a duty to meet the person's needs. This may be necessary if the person would be unsafe without support. The local authority may pursue court action to recover any debt that the person owes.

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Complaints

The person with dementia or their carer may want to complain about a decision to do with the person's care. For example, they may disagree with a funding decision made by the local authority.

The person must first try to resolve the complaint directly. This may be with the local authority, NHS body, care home or care company. They should ask for the organisation's complaints procedure. If it isn't possible to resolve the complaint locally, the person may be able to take it to the relevant ombudsman. See 'Other useful organisations' on page 17 for contact details.

When making a complaint, it's important to have written records of all communication. This can help to show how agreements have been reached and decisions made. This may be between:

- the person with dementia or their attorney or deputy, and
- the local authority, care provider or NHS body.

In some cases, a solicitor may be needed. For example, this may be the case if the complaint involves discrimination or interpretation of the law. People who qualify for legal aid may get help that is publicly funded. This legal help may be advice and information on complaints to do with charging. For more information visit www.gov.uk/find-legal-advice

Other useful organisations

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Advicelink Cymru

0800 702 2020 (9am–5pm Monday–Friday)

Advicelink Cymru is a Welsh Government funded Citizens Advice service designed to help people who are most in need of advice services. It offers quality assured advice on welfare benefits, debt, employment, education, housing, immigration and discrimination.

The Association of Lifetime Lawyers

020 8234 6186 (9am–5pm Monday–Friday)

www.lifetimelawyers.org.uk

The Association of Lifetime Lawyers (formally Solicitors for the Elderly) is a not-for-profit organisation which provides information on accredited financial advisers who specialise in later life matters.

Disability Rights UK

0330 995 0400 (general enquiries line)

enquiries@disabilityrightsuk.org

www.disabilityrightsuk.org

Disability Rights UK is an organisation of disabled people working for equal participation for all.

GOV.UK

www.gov.uk

GOV.UK is the website for finding information and services from the UK government, including information about paying for care.

MoneyHelper

0800 138 0555 (in Welsh, 8am–6pm Monday–Friday)

0800 138 7777 (in English, 8am–6pm Monday–Friday)

www.moneyhelper.org.uk

MoneyHelper is a website that provides free, impartial advice about money choices and pensions.

NHS Low income scheme

www.gov.wales/low-income-scheme-help-nhs-health-costs

The NHS low income scheme helps with the cost of NHS dental treatment, sight tests, glasses and contact lenses, and necessary travel to and from hospitals for NHS treatment. Visit the gov.wales website to find out if the scheme can help you.

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Public Services Ombudsman for Wales
0300 790 0203 (10am–12.30pm and 1.30pm–4pm)
ask@ombudsman.wales
www.ombudsman.wales

Public Services Ombudsman for Wales is an independent organisation that investigates complaints about public services and independent care providers, and looks for a resolution.

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Factsheet W532

Last reviewed: July 2024

Next review due: July 2027

Our information is reviewed by people affected by dementia.

To give feedback on this factsheet, or for a list of sources,
please email **publications@alzheimers.org.uk**

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It should not be used as a substitute for personalised advice
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At Alzheimer's Society we're working towards a world where dementia no longer devastates lives. We do this by giving help to everyone who needs it today, and hope for everyone in the future.

We have more information on **Needing greater support with care.**

For advice and support on this, or any other aspect of dementia, call us on **0333 150 3456** or visit **alzheimers.org.uk**

Thanks to your donations, we're able to be a vital source of support and a powerful force for change for everyone living with dementia. Help us do even more, call **0330 333 0804** or visit **alzheimers.org.uk/donate**



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