

Paying for care

Find out whether you need to pay for social care.

The paying for care system is complex, with various 'ifs' and 'maybes'. Here, we explain it in simple detail so that you can understand whether you might need to pay towards your care at home or in a care home.

If you have already had a care needs assessment, and you have social care needs that are eligible for support from your council, you will be offered a financial assessment.

Financial assessment for social care

To see whether you will need to contribute towards the cost of your care and support, your council will conduct a financial assessment.

This will look at your:

- Capital – for example, any property you own, bonds and shares
- Savings – any savings you have in bank accounts
- Income – including benefits, pension and any income you might get from a job

Most people will have to pay something towards the cost of their care.

Is my home included?

The value of your home is included as part of your capital in the social care financial assessment if you are moving into residential care, except in limited circumstances. It is not included if you are receiving care in your own home.

If you want to know whether you will need to sell your home to pay for your care, read our information on deferred payment agreements.

How much do I have to pay for care?

If you choose not to have a financial care assessment, you will be responsible for paying the full cost of your care and support.

If you have income, capital and savings of less than £14,250, you may be asked to contribute part of your income and the local authority may pay the rest.

If you have income, capital and savings between £14,250 and £23,250, you are likely to have to contribute towards the cost of your care. You may need to contribute part of your income.

People are usually asked to pay £1 for each £250 they have in capital and savings above £14,250. If your capital and savings amount to more than £23,250, you will probably have to pay the full cost of your care yourself.

Choosing your own care home

If you are eligible for support from the council and you are moving into a care home or care home with nursing, you will be given a choice of homes that charge the amount the council would usually pay for someone with your needs.

If you choose a residential home that charges more than the council pay, you will need to find someone else to meet the additional amount. This is called a 'third party payment' or 'top-up'.

Running out of money

If you are worried about running out of money because of paying for care, speak to your council. They will want to give you a care assessment and a financial assessment if your savings are likely to reduce to £23,250 through payment of care home fees.

You should let the council know well in advance so that you can plan for your care fees together.

However, bear in mind that the local authority must undertake an assessment of your needs and financial circumstances before deciding if it can contribute towards the cost of your care.

You might want to read our information on third party payments for social care if:

- The council doesn't already pay for your care but might in the future
- You are living in a care home that costs more than the council will pay for your needs
- You have a home care service that costs more than the council says it will pay

If the council is going to start paying towards your care and one of these applies to you, a third-party payment may help you avoid moving to a new care home or from changing care service. Understanding your rights before moving into care is essential and there are several financial products and specialist companies that may be able to help.

You should look at getting financial and legal advice before you decide on how to fund your care.

Financial support for care fees

You may be able to get some support with your care fees even if you are paying for all of your care.

Social care benefits

You could get social care benefits without the local authority looking into how much you have in savings and capital.

Attendance Allowance (AA) and Personal Independence Payments (PIP) are non-means-tested, non-taxable benefits from the Department for Work and Pensions.

There are different rates depending on the level of your needs. Everyone who needs care should consider claiming these benefits, however, they will not be paid if the council is paying for your care in a care home.

If you get the mobility component of Disability Living Allowance or Personal Independence Payment, you will continue to receive this, even if you move into a care home, and it is not included in your financial assessment.

You may also want to apply for Universal Credit (if you are under pension age) or Pension Credit (if you are over pension age).

What is NHS Nursing Care Contribution?

If you live in a care home that provides nursing care, even if it is just temporary, you could get a non-means-tested Registered Nursing Care Contribution (sometimes called Funded Nursing Care) towards the cost of your nursing care.

You should speak to the nursing home about getting this. The money is paid directly to the home.

Can I get NHS Continuing Healthcare?

NHS Continuing Health Care (NHS CHC) is fully-funded care and support, provided and paid for by the NHS. This means that if you have a primary healthcare need, the NHS should provide and pay for your care – all of it, including care home fees.

Getting NHS CHC can be difficult, as the criteria you must meet are strict. If you are eligible, you are likely to have severe issues surrounding your health.

It's important to note that not everyone who needs care has a primary healthcare need – you won't be automatically entitled to this funding because you are living with dementia or have an ongoing illness. However, everyone who is discharged from hospital into a care setting should be offered an NHS Continuing Healthcare assessment.

Eligibility for NHS CHC depends on an assessment of the nature, intensity, complexity and unpredictability of the care that is required to manage your needs.

If you are eligible for Continuing Health Care, you can receive the services in any setting, including your own home or in a care home. The NHS will pay if you need healthcare from a community nurse or a therapist as well as personal care to help at home.

Self-funding your care

Paying for care can be an expensive and long-term commitment, so it is wise to seek specialist information and advice on paying for care before entering into any arrangements.

It is important that you seek specialist advice from appropriately qualified and regulated financial advisers.

Will I have to sell my home to pay for my care?

Twelve-week property disregard

If the value of your home is included in your financial assessment but your other capital and savings are less than £23,250, the council may share the cost of the first twelve weeks of permanent residential care, provided it agrees that this type of care is needed.

This is called the twelve week property disregard period.

Deferred Payment Agreements

After the twelve-week property disregard period, you may be offered a Deferred Payment Agreement.

This means you shouldn't have to sell your home during your lifetime to pay for your care. Any care fees paid by the council will be charged against the value of your home and must be repaid once the house is sold or from your estate.

Interest is payable throughout the period of the loan and there is also a one-off fee to join the scheme which covers all legal and administrative costs for the lifetime of the deferred payment agreement.

The council may limit the amount of the loan, depending on the equity in your property.

Third party payments

If you are eligible for the council's support, you will be offered a choice of homes that meet the local authority's funding rates.

If you decide to live in a more expensive residential home, you will need to find someone who can pay the difference between what the council will pay and the amount the home charges.

This is called a 'top-up' or 'third party payment'.

If you already live in a care home, and no top-up was required when you moved there, the home may seek to introduce one later, which would need to be agreed first with the local authority.

This may happen if a change to your arrangements is made at your request or with your agreement, for example you move to a nicer room.

Can I pay my own top up fees?

Top up legislation says that you are not allowed to make this additional payment yourself, except in limited circumstances. The responsibility usually falls to a family member, friend or charity.

If you are thinking of paying someone else's top-up fees, you should be aware that the amount may increase, usually once a year. You must be confident that you can afford the top up fees for as long as they are required.

If the third-party payments stop being paid for any reason, speak to your council. You may have to move to a cheaper home within the local authority's funding levels.

It is important to note that councils have a duty to offer you a place at a home that accepts their funding rates. If no such place is available, a top-up should not be charged.

Seeking financial advice

Planning for your future care and support needs can be complicated and funding care can be expensive. Everyone is encouraged to seek unbiased, expert advice from independent financial advisers to help work out how to pay for long-term care.

Professional advice may be helpful in enabling you (and your family) to identify the most suitable and cost-effective solution to paying for care. Some solutions may help you to avoid paying care home fees.

Independent financial advisers are regulated by the Financial Conduct Authority (FCA). Unlike advisers who are tied to particular providers, specialist care fees advisers can offer advice on products from across the whole market.

A list of independent financial advisers can be found on the Society of Later Life Advisers website. You can also call SOLLA on 0333 202 0454.

There are also organisations that will provide free advice about funding care. These are a good place to start if you are looking for information and want to see what sort of options are available.

