

# Non-residential financial assessments and payment handbook

A detailed guide for people who need  
financial help for non-residential services.



[www.merton.gov.uk](http://www.merton.gov.uk)



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## **About this handbook**

### **Who should read this booklet?**

It would be useful for you to read this booklet if you live in the London Borough of Merton and plan to use non-residential services, such as home care, attending a day centre or direct payments, or if you are managing the finances of somebody who does.

This handbook is designed to be read with the Non-Residential Appendix, which is updated every year with capital limits and current charges.

### **What information does this booklet contain?**

This booklet gives you advice on how to decide whether you are liable for the full cost of home care or day care. It explains the financial arrangements that can be made to support you if you are not able to meet the full cost of your care. This booklet also explains what happens if you require the Council's financial support and you are already receiving home care or attending a day centre and are paying your own fees.

This booklet does not cover all circumstances and should only be used for guidance. It is not a statement of law. If you have any queries, or would like more specific advice on any point, please contact your Care Manager (social worker) or the Financial Assessment Team directly. Should you wish to seek further recommendation or assistance, you will find the contact details for various other agencies at the back of this booklet. Or, you could seek independent advice from a trusted source.

## Section 1 – Understanding non-residential financial assessments

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<b>1</b>	<b>Introduction to self-directed support</b>	<b>3</b>
<b>2</b>	<b>Payment</b> Who pays for home-care and day-care services?	<b>3</b>
<b>3</b>	<b>Income</b>	<b>4</b>
<b>4</b>	<b>Capital</b> What we mean by capital	<b>5</b>
	What is counted as capital?	5
	If your capital is held abroad	5
	If some or all of your capital is held jointly	6
	If some or all of your capital is held in a trust fund	6
	If you give away any of your capital	6
	How capital is treated	6
	If you have any questions about capital	6
<b>5</b>	<b>Legislation we use</b>	

## Section 2 – Paying for non-residential services

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<b>Payment</b>	The financial assessment	<b>8</b>
	Will I have to pay the full fees or a contribution?	8
	How do you work out what I have to pay?	8
	What should I do now?	10
	General information	11
	What happens next?	11
	When will my contribution change?	11
	Sharing information	12
	Useful contacts	13
	Definitions	14

# 1 Introduction to Self-Directed Support

Self-directed support is a new way of providing adult social care. It puts you at the centre of planning your own support needs. You will fill out a self-assessment questionnaire, and if you are eligible for support we will work out how much money you will be given in your personal budget. You can then choose to take your personal budget as a direct payment, or have directly provided services, or a combination of both.

As part of this process you will need to have a financial assessment. This will work out if you will contribute anything from your own money towards your personal budget. If the Council calculates that you do need to contribute towards your personal budget you will either be invoiced for this contribution if you are having directly provided services, or your direct payment will be paid to you as a net amount of this contribution.

This handbook is designed to give you more information about the financial assessment process.

## 2 Payment

### Who pays for home-care and day-care services?

If you need non-residential services such as home care, day care or direct payments, you will have to pay the full cost if your savings are over the current year's capital limit (see Non-Residential Appendix) or if you choose to pay full cost. If your savings are under the current year's capital limit (see Non-Residential Appendix), you need to be financially assessed so that we can work out the amount you need to contribute towards your personal budget. The amount you contribute will depend on what your income and outgoings are.

To work out how much your contribution should be, the Financial Assessment Team will ask you to provide details of your income such as any pensions, benefits, maintenance or other payments you receive. We will also ask you for details of your capital, that is, any savings, stocks, shares, investments or other assets. We will also ask you about any outgoings such as rent, mortgage payments, Council Tax, buildings insurance and your disability related expenses.

For this purpose we will ask you to fill in a confidential financial assessment form, which tells us about your financial circumstances. Once you have filled the form in, we will contact you if we need any more information.

Once we have worked out how much your contribution will be, if any, we will write to you. More information about paying for your services can be found later in this handbook. If you have been assessed as being eligible to receive a free service, we will write to you and you will not be charged for any of your non-residential services, unless your financial circumstances change. If they do change, we may need to carry out another assessment.

## 3 Income

When we undertake your financial assessment we will need to confirm your income. By income we mean any money that you have coming in from any source, for example, pensions, benefits, maintenance, or any other payments you receive. Income includes things like:

- State Retirement Pensions and Widow's Pensions
- occupational and private pensions from previous employment
- state benefits and allowances
- earnings
- charitable and voluntary payments
- maintenance payments and money from friends or family
- annuity payments
- money from certain types of trust
- payments from abroad
- other payments made to you, for example, other income you may obtain from subletting your property or garage etc.

This list does not cover all the possible types of income and is a guide only.

You should always tell us about money that is held jointly.

Most income is included in your financial assessment in full. Some income is fully or partly disregarded, for example, Child Benefits.

We also make an allowance for the mobility component of any Disability Living Allowance you receive. You should tell us about all your income on the financial assessment form. We will ignore any income that is not relevant.

If you receive Attendance Allowance or Disability Living Allowance (care component) at the higher rate we will only consider up to the middle rate amount. This does not apply to people receiving night-time care.

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## 4 Capital

### What we mean by capital

By capital we mean any savings or investments that you have.

If we are providing you with community care, we will need to work out how much capital you have. Some items are counted and some are not (see below).

### What is counted as capital?

We include things like:

- Bank and Building Society Accounts
- National Savings Certificates
- Premium Bonds and Income Bonds
- Stocks, Shares and other investments
- Individual Savings Accounts (ISAs)
- Unit Trusts
- Cash
- Money that is yours which someone else holds for you
- Funds held by the Court of Protection or your receiver

Please note: this list should only be used as a guide and does not cover all possible types of capital.

Some capital is not included when we assess your total assets. For example, we ignore personal belongings, Social Fund payments, arrears of certain benefits and ex-gratia payments (voluntary) made to former Japanese prisoners of war.

You should tell us about all your capital on the financial assessment form and we will ignore any that is not relevant.

Please note that we will have to consider items such as personal belongings if you have bought them with the intention of reducing or avoiding your liability for your community care services.

### If your capital is held abroad

If your capital is held abroad, we will require an up-to-date statement showing the current amount.

### **If some or all of your capital is held jointly**

If some or all of your capital is held jointly with another person or other people, you should value your share by dividing the total value by the number of people who own it.

### **If some or all of your capital is held in a trust fund**

If some or all of your capital is held in a trust fund, the conditions of the trust deed will show whether we should count this as capital or not. Please send us a copy of the trust deed. It will help us decide how we should treat it.

### **If you give away any of your capital**

Please note that it is against the law to get rid of or give away your assets with the intention of reducing your responsibility for home care and day care costs. If this happens, we may calculate your assessment based on you still having those assets.

### **How capital is treated**

If you have capital equal to or more than the maximum capital limit, you will be responsible for the full amount of your care fees. In other words, you will be 'self-funding' (see the appendix for current figures based on this financial year's capital limit).

If your capital is less than the minimum capital limit, we will not ask you to pay anything from your capital towards the cost of your care, but you may have to contribute from your income. If your capital is between the minimum and maximum capital amounts, you will pay an extra nominal tariff income.

If your capital is only just above the capital limit, you will find that your savings will soon start to reduce as you pay your charges. At some stage your savings may reduce below this limit and you will need to contact us to reassess your entitlement to help with the fees. You will be asked to fill in a financial assessment form giving up-to-date details of your savings, income and outgoings and we will assess your contribution to your personal budget.

### **If you have any questions about capital**

If you have any questions about capital please contact the Financial Assessment Team directly. Our contact details are on the last page of this booklet.

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## 5 Legislation we use

By legislation we mean Acts of Parliament, statutory instruments, regulations and guidance issued by Parliament, the Department of Health or other organisations which have legal powers.

**We assess non-residential services under the Fairer Contributions Policy. This supplements the Fairer Charging Policy. Under this policy, we base our charges on 100% of the value of the personal budget and 100% of available income.**

## **The financial assessment**

### **Will you have to pay the full fees or a contribution?**

#### **Responsibility for paying the full fees**

You will be responsible for the full fees if you have more than this financial year's capital limit in savings or other assets, or if you have chosen to pay the full cost of the service.

#### **Responsibility for paying a contribution**

You will not be responsible for the full fees, but may have to pay a contribution if your total savings and assets are valued at less than this financial year's capital limit.

If you are not sure which situation applies to you, please contact your care manager (social worker) or the Financial Assessments Team and outline your financial situation. If we cannot advise you immediately, we will ask you to fill in a form with details of your finances. We will then advise you as soon as we can.

### **How do you work out what I have to pay?**

We follow a set of rules that are laid down in law by Government. We are also given guidance by the Department of Health.

#### **Step one: you fill in a financial assessment form**

We need to find out about your financial situation before we can work out how much you will need to contribute towards your personal budget. To do this we ask you to complete a confidential financial assessment form showing your income and your capital, such as savings and other assets, your outgoings and your disability related expenses. You will need to enclose proof of income, savings, outgoings and disability-related expenses if possible. If someone signs the financial assessment form on your behalf, they will need to enclose proof of Power of Attorney or appointeeship awarded by the Department of Work and Pensions that they hold on your behalf.

**Step two: we work out your weekly income**

We will work out your weekly income from the information you give us. We do this by adding together all your current sources of income – including state benefits – and a nominal (tariff) income from any savings or assets you may have over this financial year's minimum capital limit. If we think you are entitled to any other state benefits we will advise you to claim them. We will add the amount you receive from these benefits to your total income from the date you start receiving them.

**Step three: we work out your disability-related expenses**

We will calculate your weekly outgoings from the information you give us. We do this by looking at the money you spend on things such as rent, mortgage, water rates, house insurance and Council Tax.

**Step four: we work out your outgoings and disability-related expenses**

Disability-related expenses are all those expenses that you incur because of your disabilities or illness, such as alarm systems, gardening, extra toiletries, mobility expenses, cleaning expenses, costs of wheelchair, stair lift, powered bed, etc.

If you tell us on the financial assessment form that you incur disability-related expenses and list what they are, we will allow you a £10 disregard from your assessment for disability-related expenses. To qualify for this you need to receive a disability benefit such as Attendance Allowance or Disability Living Allowance. If you are not receiving a disability benefit you can contact us to see if you might be entitled to one. If you think your disability-related expenses are more than £10 you should provide proof of these and higher allowances might then be given.

If you have any queries regarding any of these expenses or require more specific advice you can contact the Financial Assessment Team directly. Our contact details are on the last page of this booklet.

**Step five: the amount you pay**

This is simply your total income minus your total allowances and minus your outgoings and disability related expenses. We will review the amount you have to pay every April or when your circumstances change.

When your income is at or below Income Support or Pension Credit level, you will be assessed to receive your care services free of charge. We will review this every April. We have included some assessment examples in the appendix.

## **What should I do now?**

### **Make a list of all your finances**

List all your sources of income as well as your savings and any other assets. Please note that it is against the law to get rid of or give away your assets or income with the intention of reducing your responsibility for home care or day care costs.

### **Make a list of all your outgoings**

List all your outgoings such as rent, mortgage, endowment insurance, Council Tax, buildings insurance.

If you receive Housing Benefit or Council Tax benefits you will have to provide details and proof of these.

### **Make a list of all your disability-related expenses**

#### **List all your disability-related expenses, such as:**

- higher than normal fuel bills
- community alarm system
- special diet due to medical problems
- garden maintenance
- a powered bed
- a powered reclining chair
- a stair lift
- a hoist
- specialist holidays due to your disabilities
- prescriptions
- toiletries or cleaning costs
- special clothing or shoes
- exceptional mobility needs
- a wheelchair
- and anything else that you feel are expenses caused by your illness or disability that help you to live independently

If any of these are more than £10 per week and you would like to claim for this, you will need to send us proof of these expenses.

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## **General information**

### **What happens next?**

Once we have received your form, we may contact you for more information. Any information you give us is treated in the strictest confidence.

When we have worked out your contribution, we will write to you to tell you how much you have to contribute.

### **How do I pay my assessed contribution?**

If you have been financially assessed and need to make a contribution towards your personal budget, you will pay in one of two ways.

If you are going to receive direct payments, which are money payments from the Council direct to you so you can purchase your own chosen care, the amount paid to you will be the total amount agreed as your personal budget less your assessed contribution. You can then choose to pay your contribution into your pre-paid card account.

If you receive directly provided services from the Council you will receive an invoice for your contribution every month.

### **When will my contribution change?**

Your contribution will change in April each year because your state benefits will change or you have a change in circumstances. We will write to you about this change every year.

If your financial circumstances change, for example, because you win a Premium Bond prize, inherit money or receive extra benefits, or if your savings fall under the maximum capital limit, we may need to review your contribution. Please contact the Financial Assessments Team if your circumstances change and we will advise you on the best possible action. Our contact details are at the end of this booklet.

## **Sharing information**

As we work in partnership with the health service and other agencies to provide a package of services, we sometimes need to share your personal information with other organisations involved in your care.

If necessary, we may ask you to sign a form giving us permission to share your personal information with other organisations. For your own protection or for the protection of other people, we may, on rare occasions, share information without your permission. Under these circumstances we will explain why this has happened.

Merton Council's Community and Housing department has a policy on gaining access to information held about you in your file. You have the right to see this information if it was recorded after 1st April 1989. There is normally an administration charge for this service unless you receive certain state benefits.

If you would like to see this information, you can apply in writing to:

**The Customer Services Officer  
Community and Housing  
Merton Civic Centre  
London Road  
Morden SM4 5DX.**

**Phone: 020 8271 4901**

## Useful contacts

### Help the Aged Care Fees Advisory Services

St Leonard's House  
Mill Street  
Eynsham  
Oxford OX29 4JX

Website:

**[www.helptheaged.org.uk/carefees](http://www.helptheaged.org.uk/carefees)**

Telephone: 0500 76 74 76 (Freephone)

- Free, confidential, unbiased advice on paying for care fees

### Age UK England

Astral House  
1268 London Road  
London SW16 4ER

Website: **[ageuk.org.uk](http://ageuk.org.uk)**

Telephone: 0800 169 65 65 (Freephone)

- Welfare benefits advice
- Services for carers
- Access to services

### Age UK Merton

277 London Road  
Mitcham CR4 3NT

Website: **[ageconcernmerton.org.uk](http://ageconcernmerton.org.uk)**

Telephone: 020 8648 5792

### Citizens Advice Bureau

Kellaway House  
326 London Road  
Mitcham CR4 3ND

Website: **[adviceguide.org.uk](http://adviceguide.org.uk)**  
**[mertoncab.org.uk](http://mertoncab.org.uk)**

Telephone: 020 8640 3194 (BT national rate)

- Welfare benefits advice
- Debt advice
- Consumer advice

### The Welfare Benefits Team

Merton Civic Centre  
London Road  
Morden SM4 5DX

Email:

**[welfarebenefitsteam@merton.gov.uk](mailto:welfarebenefitsteam@merton.gov.uk)**

Telephone: 020 8545 4178

- Welfare benefits advice

### The Financial Assessment Team

Merton Civic Centre  
London Road  
Morden SM4 5DX

Telephone: 020 8545 4036/3076

Fax: 020 8545 4730

Email:

**[financial.assessment@merton.gov.uk](mailto:financial.assessment@merton.gov.uk)**

- Please contact the Financial Assessment Team if you have any queries. Our office hours are 9am to 5pm Monday to Friday.

### Pension Credit application line

Telephone: 0800 99 1234 (Freephone)

### Department for Work and Pensions

Telephone: 0845 606 0265

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## Definitions

### **Buffer**

The buffer is 25% above your basic benefit entitlement. We work out the buffer by adding 25% to the minimum benefit rate you are entitled to.

### **Capital**

This refers to any savings or assets you have. We won't count any primary property, for example, a property that is yours that you live in (buildings or land).

### **Capital limit**

This is the amount of assessable capital a person has over the upper limit.

### **Direct payments**

This is when your social services money is paid to you directly.

### **Fairer contributions policy**

This is the policy we use to assess the amount you may pay as a contribution towards your care.

### **Self-directed support**

This is the process that gives people more choice and control over their care needs, including a personal budget.

### **Personal budget**

A personal budget is the amount of money we think will pay for the support you need.

### **Self-assessment questionnaire**

The form that enables you to tell us about your needs. It forms part of the community care assessment.

### **Income**

Any money that you have coming in from any source, for example, pensions, benefits, maintenance received or any other payments you receive.

### **ILF**

Independent Living Fund.

### **Self-funding**

This is when you are assessed to pay the full cost of your care.

### **Tariff income**

A set weekly amount you pay us as part of your contribution if you have capital between the minimum and maximum capital limits.





## Request for document translation

### Non-residential financial assessments and payment handbook

If you need any part of this document explained in your language, please tick box and contact us either by writing or by phone using our contact details below.

- Albanian** Nëse ju nevojitet ndonjë pjesë e këtij dokumenti e shpjeguar në gjuhën amtare ju lutemi shenojeni kutinë dhe na kontaktoni duke na shkruar ose telefononi duke përdorur detajet e mëposhtme.
- Bengali** এই তথ্যের কোনো অংশ আপনার নিজ ভাষায় বুঝতে চাইলে, দয়া করে বাস্তবতে (বক্সে) টিক চিহ্ন দিন এবং চিঠি লিখে বা ফোন করে আমাদের সাথে যোগাযোগ করুন। নিচে যোগাযোগের বিবরণ দেওয়া হয়েছে।
- French** Si vous avez besoin que l'on vous explique une partie de ce document dans votre langue, cochez la case et contactez-nous par courrier ou par téléphone à nos coordonnées figurant ci-dessous.
- Korean** 만일 본 서류의 어떤 부분이라도 귀하의 모국어로 설명된 것이 필요하다면, 상자속에 표시를하고 우리에게 전화나 서신으로 연락하십시오.
- Polish** Aby otrzymać część tego dokumentu w polskiej wersji językowej proszę zaznaczyć kwadrat i skontaktować się z nami drogą pisemną lub telefoniczną pod poniżej podanym adresem lub numerem telefonu.
- Portuguese** Caso você necessite qualquer parte deste documento explicada em seu idioma, favor assinalar a quadrícula respectiva e contatar-nos por escrito ou por telefone usando as informações para contato aqui fornecidas.
- Somali** Haddii aad u baahan tahay in qayb dukumeentigan ka mid ah laguugu sharxo luqaddaada, fadlan sax ku calaamadee sanduuqa oo nagula soo xiriir warqad ama telefoon adigoo isticmaalaya macluumaadka halkan hoose ku yaalla.
- Spanish** Si desea que alguna parte de este documento se traduzca en su idioma, le rogamos marque la casilla correspondiente y que nos contacte bien por escrito o telefónicamente utilizando nuestra información de contacto que encontrará más abajo.
- Tamil** இந்நட்ப் பத்திரத்தின் எந்தப் பகுதியும் உங்களின் மொழியில் விளக்கப்படுவது உங்களுக்கு வேண்டுமானால், தயவுசெய்து பெட்டியில் அடையாளமிட்டு, கீழுள்ள எங்களின் விபரங்களைப் பயன்படுத்தி எழுத்துமுலமாக அல்லது தொலைபேசி முலமாக எங்களைத் தொடர்புகொள்ளவும்.
- Urdu** اگر آپ اس دستاویز کے کسی حصے کا ترجمہ اپنی زبان میں حاصل کرنا چاہتے ہیں تو دیئے گئے باکس میں صحیح کا نشان لگائیے اور ہمارے درج ذیل رابطے پر یا ٹیلیفون کے ذریعے یا پھر تحریری طور پر رابطہ کریں۔

Large print

Braille

Audiotape

#### Your contact:

Name.....

Address.....

.....

.....

Telephone.....

Financial Assessment Team

3rd Floor

Merton Civic Centre

Morden SM4 5DX

Phone: 020 8545 3610