

Deferred Payments Scheme

WHAT YOU NEED TO KNOW

What is the 'Deferred Payments Scheme'?

The Deferred Payments Scheme is designed to help you if you have been assessed as having to pay the full cost of your residential care – but can't afford to pay the full weekly charge because part of your capital is tied up in your home.

An interest-free loan

Effectively, the scheme offers you an interest-free loan from the County Council using your home as security. It doesn't work in exactly the same way as a conventional loan – the County Council doesn't give you a fixed sum of money when you join the scheme, but pays an agreed part of your weekly bill for as long as is necessary. You pay that part of your weekly charge that you are assessed as being able to afford from your income and capital, and the County Council pays that part of your weekly charge that you can't afford until the value of your home is realised. The part that the County Council pays is your 'deferred payment'.

The deferred payments build up as a debt which is cleared when the money tied up in your home is released. For many people this will be done by selling their home, either immediately or later on. However, you do not have to sell your home if you don't want to – you may, for example, decide to rent it out to generate income. If you do this you can, if you wish, use the rental income to increase the amount that you pay each week, thus reducing the weekly payments made by the County Council, and minimising the eventual deferred payments debt.

This form

This is an application form – if you wish to apply for the Deferred Payments Scheme you will need to complete the details on the following pages, detach it from the leaflet, and send it to:

The Assessments Section
County Treasurer's Department
The Castle, Winchester SO23 8UB

If successful, there will be a separate agreement document that you will need to sign.

The agreement with the County Council

If you decide to use the Deferred Payments Scheme, you enter into an agreement with the County Council by completing and signing an agreement document. The Council then places what is called a 'legal charge' on your property to safeguard the loan.

The agreement document covers both the responsibilities of the County Council and your responsibilities, one of which is to make sure that your home is insured and maintained. If you incur expenses in maintaining your home while you are in residential

care, these will be allowed for in the amount that you are assessed as paying each week from your income and capital.

You can end the agreement at any time (for example, if you sell your home) and the loan then becomes repayable immediately. If the agreement ends on your death the loan becomes repayable 56 days later. If the loan is not repaid within the agreed time (either immediately, if you cancel the loan, or within 56 days later, if it ends with your death) the County Council will charge interest on it. Interest is set at County Court Judgement rate current at the time.

The County Council cannot cancel the agreement unilaterally.

Advantages of using the Deferred Payments Scheme

An advantage of joining the Deferred Payments Scheme is that you can claim Attendance Allowance, or, if you are under 60, the care component of Disability Living Allowance, while you are in residential care.

This means that you will have extra income to contribute towards the weekly cost of your care, and will reduce your eventual deferred payments debt.

Going on the Deferred Payments Scheme may affect your entitlement to Income Support and Pension Credit. Please speak to the FAB Visiting Officer for more information.

You should take independent advice to help you decide which course of action would be better financially for you. For more information about independent financial advice see chapter 9 of the free Adult Services booklet *Paying for Residential Care*.

As you know, many residential homes charge a supplement or top up for their better rooms. If you use the Deferred Payments Scheme you can ask for the cost of the top up payments to be added to your Deferred Payments Scheme loan. However, this is subject to agreement by the County Council and can only be agreed if there is enough collateral in your home. We will confirm in writing whether we can

agree to this once we have received all the relevant information. Please speak to your Care Manager if you have any concerns before deciding what care home you wish to go to. (The government's rules say that top ups for people not using the Deferred Payments Scheme have to be paid for them by someone else – for example, a member of their family).

Does it cost anything to use the Deferred Payments Scheme?

If the legal title to your home is unregistered then your own solicitor will be responsible for placing a legal charge over your home to protect the County Council's position.

You will be asked to pay a contribution towards the County Council's legal costs and disbursement involved in placing, preparing to place or procuring a legal charge over your home.

The amount you pay will be determined by the amount of legal work undertaken but the maximum amount you will be asked to pay is £300 plus, in the case of unregistered land, a £40 Land Registry fee.

If your property is unregistered you must instruct an independent solicitor to register your title and the County Council's legal charge at the Land Registry. In these circumstances you will be responsible for your own solicitor's costs in addition to the contribution you make to the County Council's costs.

Can anyone join the Deferred Payments Scheme?

Not everyone will be eligible to join the Deferred Payments Scheme. There are some circumstances that mean that you are not eligible. For example, if you have a property that you own but don't live in, you may not be eligible. If you are unsure whether you are eligible please discuss this with your Care Manager.



Deferred Payments Scheme

Application Form SASI3

SWIFT NUMBER

Please complete the form in ink, using **BLOCK CAPITALS** throughout. The notes referred to are given inside the back cover of this leaflet.

SECTION 1 Details of person applying for the Deferred Payments Scheme

Mr/Mrs/Miss/otherSurname.....

First names.....

Date of birth / / Email address.....

Phone number where you can be contacted

SECTION 2 Details of representative of person applying for the Deferred Payments Scheme (if relevant) [please see note below]

Mr/Mrs/Miss/otherSurname.....

First names.....

Address.....

.....Postcode.....

Telephone.....Email address.....

Relationship to person named above (eg. son, daughter, solicitor).....

Do you have legal authority to act on behalf of the person named in Section 1?

[please see note 1]

YES NO

If YES, please tick the relevant box

power of attorney enduring/lasting power of attorney receivership

Please enclose copies of relevant legal documents

Please tick which of the following you have authority to deal with

property bank accounts investments savings

other (please state).....

If NO, but you are in the process of applying for legal authority, please send copies of the relevant papers when you receive them to the County Treasurer's Department

[please see note 1]

SECTION 3 Details of Residential Care

Name of care home.....

Address

.....Postcode

The date you started living in the care home on a permanent basis [please see note 2]

..... / /

Did you apply for a '12 week disregard'? [please see note 3]

YES NO

If **YES**, please give the dates of the disregard

start of disregard / / end of disregard / /

What is the total weekly cost of your accommodation and care?

£ per week

If Nursing Care, does this include the NHS Nursing Care contribution? YES NO

Is a top up being paid? [please see note 4] YES NO

If **YES**, do you wish to include these payments in your deferred payments loan?

YES NO

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NOTES

FOR INFORMATION ONLY

SECTION 4 Details of property offered as collateral

Address

.....Postcode

Do you own the property specified above?

YES NO

If **YES**, please tick the relevant box

I am sole owner

I own it with someone else

Please give details (for example, jointly owned, tenancy in common) and give the names on the deeds

.....
.....

Where are the title deeds of the property held?

.....
.....

What type of property is it? Please tick the relevant box

flat bungalow terraced house semi-detached house

mobile home (please see note 5) detached house

other (please specify)

How many bedrooms are there?

Does anyone live in your home apart from you?

YES NO

If **YES**, please give details

Name

Age

Relationship to you

.....
.....
.....

When did you buy your home? [please see note 6]

Price paid Estimate of current value

Is your home mortgaged?

YES NO

If **YES**, please give the following details

Name of mortgage lender

Account number Date of mortgage agreement/...../.....

Amount of outstanding mortgage

continued overleaf

SECTION 5 Declaration

- I wish to make an application under the Deferred Payments Scheme.
- I understand that acceptance of any application under the scheme is at the discretion of Hampshire County Council, and that the deferred payments will not take effect until a formal agreement is entered into.
- I confirm that I own /part-own (please delete as appropriate) the property specified in Section 4. I authorise Hampshire County Council to check legal title to the property.
- I agree to a legal charge being placed on the property specified in Section 4 and agree to pay the legal costs of Hampshire County Council the sum of £300 (from 1st April 2009).
- I agree that I shall be responsible for payment of the weekly contribution to the cost of my care that I am assessed to make under the regulations specified in CRAG (Charging for Residential Accommodation Guide) from my income and other capital, as declared on the statement of financial circumstances (SAS4).
- I confirm that I and all other persons who occupy or have an interest in the property specified in Section 4 have been told of the need to take independent legal and financial advice before I enter into an agreement under the Deferred Payments Scheme.
- I have /have not (please delete as appropriate) authorised a solicitor to act on my behalf.

Name of solicitor

Address

.....

.....

- I confirm that the information given on this form is true and accurate to the best of my knowledge.
- I have read and understood this application for the Deferred Payments Scheme and the terms of this declaration.
- I understand that the County Council will store the information given on this form on paper and on computer; and I agree that when necessary it may be shared with other organisations that work with the County Council. I also understand that the information will be kept confidential and secure and that I can ask to see it at any time, in accordance with the Data Protection Act 1998.*

Signed

Name Date/...../.....

Signed on behalf of

If you are signing on behalf of the person applying to use the Deferred Payments Scheme, you must be the person named in Section 2, and have legal authority to act.

*The free Adult Services booklet Your Records gives details of how you can see the information we hold about you.

NOTES TO HELP YOU WHEN YOU ARE FILLING IN THIS FORM

Note 1

You can only sign this form on behalf of your relative, friend or client if you have the relevant legal authority. If you don't have legal authority, or if you are in the process of applying for it, you can fill in the details on the form, but the person applying for the Deferred Payments Scheme must sign the form themselves.

As soon as you receive the papers giving you legal authority you should send copies to the Assessments Section, County Treasurer's Department, The Castle, Winchester SO23 8UB.

Note 2

You may have spent some time as a 'trial period' in your care home while you decided whether or not you wanted to move permanently into residential care. The date that you give here should be the date when your residence became permanent – that is, after any trial period.

Note 3

When you decide to move into residential care we carry out a financial assessment so that we can work out what your contribution to the cost of your care should be. We take into account your income, capital and investments. If you meet certain requirements, you can ask to have the value of your home ignored for the first 12 weeks of your permanent stay in a care home (thus reducing the contribution you have to make for that period). Full details about this '12 week disregard' are given in the free Adult Services booklet Paying for Residential Care.

Note 4

The contribution that Adult Services pays towards someone's residential care is based on set rates for different kinds of care, and does not cover the cost of the more expensive rooms in care homes. It is possible to pay a top up for a better room. If you are not sure whether a top up is being paid, you should speak to your Adult Services Care Manager.

Note 5

If the property you own is a mobile home, we are unable to apply the Deferred Payments Scheme. This is because mobile homes are not registered with the Land Registry. Agreement of a loan will be subject to a decision by Adult Services.

Note 6

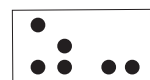
We would find it very useful if you could tell us when you bought your home, and how much you paid for it, as this helps us confirm its estimated current value quickly. However, do not worry if you cannot provide this information.

More information about meeting the cost of residential care is given in the free Adult Services booklet Paying for Residential Care. You can get a copy from your local Adult Services office or by phoning 0845 603 5630.

Call charges and information

Calls to 0845 numbers will cost between 4p (local rate) and 6p (national rate) per minute for BT customers. Calls made using other service providers or mobiles may cost more. Alternatively call 01329 225390 - standard and local call rates apply to this number.

Alternative formats on request



or easy to read version or other languages

For further information please contact Hantsdirect on 0845 603 5630.

FOR INFORMATION ONLY

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