

# Disability Law Service

Fighting injustice for disabled people

## **ADULT SOCIAL CARE CHARGING**

## **FACTSHEET**

## Introduction

Under section 14 of the Care Act 2014, local authorities have a power (but not an obligation) to charge people for their care services. This means that depending on your financial situation, your local authority may charge you for some or all of the costs of meeting your care and support needs.

Before your council can charge you, they must perform a financial assessment to determine what (if any) contributions you are required to make.

## When are Local Authorities Entitled to Charge for Care?

A local authority may charge you for your care if:

1. You have savings and capital with a combined value of less than £14,250. If so, **they will disregard your capital and work out your charge based on your income only.**
2. You have savings and capital exceeding £14,250 but below £23,250. If so, your charge will be £1 for every £250 that you have in capital and savings over £14,250. They will also include your income to determine the final amount.
3. You have savings and capital exceeding £23,250. If so, you may be charged for the full costs of your care.

## What Income and Capital can be Considered?

As stated above, local authorities are entitled to charge you based on your income even if your capital is below the capital threshold.

The rules on what income and capital can be included are complicated and lengthy. You should seek specific legal advice if you are concerned. The following are the most relevant examples:

- Land.
- Stocks and shares.
- Savings.
- Attendance Allowance.

- Care component of Disability Living Allowance.
- Care component of Personal Independence Payment.
- Income Support.
- Universal Credit.
- Employment Support Allowance.
- State Pension.
- Pension Credit.

## What Allowances Are You Entitled To?

When calculating how much a care user is required to pay, local authorities must ensure that the following expense allowances are included:

1. **Housing expenses:** Allowance must be made for housing costs – such as rent, mortgage, service charges and council tax. This ensures that you have enough income leftover to cover your housing needs.
2. **Minimum Income Guarantee (MIG) for basic living costs:** The MIG is the amount of weekly income that the government says you should have as a minimum. This means that your charge should never be so high to cause your income to fall below this threshold.

The MIG only applies to those who receive their care in places other than a care home (e.g. at home).

The MIG levels are set by the government. Its purpose is to ensure that you have enough money to cover your day-to-day basic living expenses. The level of MIG varies depending on your age and other circumstances at the time of your financial assessment.

3. **Personal Expense allowance (PEA):** The PEA is the amount of weekly income that the government says people who receive care in a care home should have as a minimum for their personal use. The government has currently set the PEA at £24.90 per week.
4. **Disability Related Expenditure (DRE):** This is an allowance that may be made in the financial assessment for any additional expenses you have due to a disability or medical condition (where disability related benefits are taken into account).

Examples of DRE include:

- (i) specialist washing powders or laundry;

- (ii) additional costs of special dietary needs due to illness or disability (the person may be asked for permission to approach their GP in cases of doubt);
- (iii) special clothing or footwear, for example, where this needs to be specially made; or additional wear and tear to clothing and footwear caused by disability;
- (iv) additional costs of bedding, for example, because of incontinence;
- (v) any heating costs, or metered costs of water, above the average levels for the area and housing type;
- (vi) purchase, maintenance, and repair of disability-related equipment, including equipment or transport needed to enter or remain in work; this may include IT costs, where necessitated by the disability; reasonable hire costs of equipment may be included, if due to waiting for supply of equipment from the local council;
- (vii) internet access for example for blind and partially sighted people;  
*and*
- (viii) other transport costs necessitated by illness or disability.

## Financial wellbeing

When charging people for their care, local authorities must ensure that the person is not left with such little money that they are unable to live a normal life.

The government considers that **it is inconsistent with promoting independent living** to assume, without further consideration, that all of a person's income above the MIG is available to be taken for the charge.

### **Legal Disclaimer**

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Any links to external websites have been carefully selected but are provided without any endorsement of the content of those sites.

**If you wish to contact us for advice or legal aid representation, please refer to our website for further details.**

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

**Legal Aid (you are eligible and require representation)**

**Tel: 0207 791 9820**

**Email: [legalaid@dls.org.uk](mailto:legalaid@dls.org.uk)**

**Advice**

**Tel: 0207 791 9809**

**Email: [helpline@dls.org.uk](mailto:helpline@dls.org.uk)**

**Address:**

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**Please support the great work that the Disability Law Service does for disabled people and their carers by donating and making sure this service continues. You can donate in the confidence that 97.2% of all money raised is spent on our work.**

