



Deferred Payment Agreement

What is a Deferred Payment Agreement?

It is an arrangement with the Council that will enable you to use the value of your home to help pay care home costs. If you are eligible we will help to pay your care home bills on your behalf. You can delay repaying us until the agreement ends, either when you choose to sell your home or when you no longer need residential care.

Who is eligible for a Deferred Payment Agreement?

A Deferred Payment Agreement may be offered to you if:

- you are receiving care in a care home (or you are moving to one soon); and
- you own your own home (unless your partner or certain others live there); and
- you have savings and/or investments of less than £23,250 (not including the value of your home or your pension fund)

Do I have to sell my property?

Not necessarily. A Deferred Payment Agreement offers a loan from the Council using your home as security, and means that you should not have to sell your home in your lifetime to pay care home bills. Instead of money up front, the Council will place a charge on your property and pay an agreed part of your weekly care bill for as long as is necessary. You pay the remaining part of your weekly care bill that you have been assessed as being able to afford. The deferred payments build up as a debt until the agreement ends.

The Council will charge interest on any amount deferred - including any administration charges deferred - based on the maximum interest rate set nationally (which will be reviewed every six months by the Office for Budget Responsibility). Interest will accrue on the amount deferred until the deferred payment is repaid to the Council.

Can I let my property if I defer the payments?

Yes. The rental income, less any related expenses, will be taken into account in the assessment of your contribution. If your contribution increases at any time, the Council's contribution will decrease accordingly, leaving less to be

paid back when the property is eventually sold. You should also inform Her Majesty's Revenue and Customs (HMRC) of your rental income and ensure that arrangements are in place to maintain and insure the property.

Will the value of my property be used as capital?

- If you live alone and are admitted to a care home permanently, the value of your property will be taken into account
- If you own or part own property, land or business that is not your main residence, the capital value of that asset will also be taken into account
- If you own your own property and your partner continues to live there, the capital value will not be taken into account
- If other people continue to live at your property, you should ask the Financial Assessment Officer about this
- If you own your own property and are admitted to a care home on a temporary basis, the value will not be taken into account

It is recommended that you take independent financial advice before choosing the Deferred Payments loan scheme. You can also contact Citizens Advice on the Dorset Adviceline (03444 111 444) or Help & Care (0300 111 3303).

Other factsheets that may be relevant

- 12 Week Property Disregard

Contact details

If you would like to find out more about this service please telephone the Financial Assessment Team on 01202 633535 or email f.socialservices@bcpcouncil.gov.uk. For more information about services please go to www.mylifemycare.com.

To request or download a copy of this factsheet:

Tel. 01202 633902 / email sshelpdesk@bcpcouncil.gov.uk
or download at www.poole.gov.uk/adultsocialcarefactsheets



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