

## Factsheet 39

# Paying for care in a care home if you have a partner

April 2024

### About this factsheet

This factsheet explains how being part of a couple affects your eligibility for local authority funding if you need to move into a care home. It also looks at how your entitlement to Pension Credit may be affected.

The information in this factsheet focuses on the rules for local authority funding, so is less relevant if you are making private, self-funded care home arrangements.

This is one part of the residential care financial assessment, so this factsheet should be read with factsheet 10, *Paying for permanent residential care*.

The information in this factsheet is correct for the period April 2024 to March 2025. Benefit rates are reviewed annually and take effect in April but rules and figures can sometimes change during the year.

The information in this factsheet is applicable in England. If you are in Scotland, Wales or Northern Ireland, please contact Age Scotland, Age Cymru or Age NI for information. Contact details can be found at the back of this factsheet.

Contact details for any organisation mentioned in this factsheet can be found in the *Useful organisations* section.

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# 1 Recent developments

*Local Authority Circular LAC (DHSC) (2024) 2*, published in February 2024, increased the income thresholds for charging in line with inflation. The capital limits remain the same as the previous financial year.

# 2 Sources and terms used in this factsheet

## Care Act 2014, regulations and statutory guidance

This factsheet is based on the *Care Act 2014* ('the Act'), introduced in April 2015. There are also references to the *Care and Support (Charging and Assessment of Resources) Regulations 2014* ('the charging regulations'), and the *Care and Support Statutory Guidance* ('the guidance') that support the Act.

These must be followed by local authorities when they are assessing and meeting needs for care and support.

## Care homes and nursing homes

This factsheet provides information about 'care homes' and 'nursing homes'. These are standard terms used by the Care Quality Commission, the industry standards regulator.

Nursing homes are care homes where a nurse must be present to provide or supervise medical-type care alongside basic personal care.

We use 'care home' for both types of home in this factsheet, unless discussing something specifically to do with a nursing home.

## Local authority

'Local authority' refers to the adult social services department of the local authority or council. It describes similar departments within: a county council, a district council for an area in which there is no county council, a London borough council, or the Common Council of the City of London.

## Partner

Your '*partner*' is your husband, wife, civil partner, or someone you live with as though you are married or in a civil partnership. The charging regulations use the same definition as Income Support Regulations.

## Capital

Capital takes many forms, but it generally refers to money you own that may be available to fund part, or all, of the cost of meeting your assessed needs. It can be buildings or land, savings, stocks and shares, or trusts. It is not regular payments of income, such as pensions or benefits.

### 3 The local authority financial assessment

If you are in a couple and one of you needs to go into a care home, it is important to be aware of how the local authority financial assessment rules work.

If you move into a care home with local authority funding assistance, it is likely you will have to pay something towards the cost from your own income and capital, subject to certain disregards. Your partner cannot be charged a contribution towards the cost of your care.

You also need to find out whether you should make separate claims for benefits, if one of you permanently enters a care home.

To obtain financial support from a local authority for a care home place, they must first assess your care needs and agree that residential care is the most effective way to meet your eligible needs. Eligible needs are those that meet the eligibility criteria for care and support.

This should be recorded in a care and support plan that is agreed with you, with the involvement of your partner if you want this. They should also consider possible alternatives to residential care, for example care in your existing home, or in an assisted living setting.

After this, they carry out a financial assessment, to see whether you must contribute towards paying for the place. For more information on the needs assessment, eligibility criteria, and care and support planning, see factsheet 41, *How to get care and support*.

### 3.1 Your personal budget

Your care and support plan must include a personal budget. This is the total cost of meeting your eligible needs. It must specify how much you must pay towards the total cost of care home fees, following the financial assessment. The remaining amount is paid by the local authority.

Your personal budget must be a realistic figure, sufficient to meet your eligible needs. The guidance states a local authority must genuinely assess the actual cost of good quality local residential care, to ensure your personal budget figure is sufficient to offer at least one suitable option at that amount.

The local authority must take account of all your circumstances, be flexible in its approach, and be aware of the present availability of local care home provision. Your personal budget should reflect the cost of out-of-area care, if this is part of meeting your eligible needs.

The guidance states *'the local authority should not set arbitrary amounts or ceilings for particular types of accommodation that do not reflect a fair cost of care'*.

If no care home can meet your eligible needs within the amount set by the local authority, it must increase your personal budget to meet the extra cost.

### 3.2 Only your own assets should be taken into account

The local authority cannot include capital or income belonging to your partner in your financial assessment and they cannot be charged a contribution towards your care. This is because it does not have the power to assess couples according to joint resources - each person must be treated individually. However, if you receive income as one of a couple, the local authority can start with the assumption you have an equal share of the income.

The local authority should not generally use a joint assessment form that asks for details of both partners' finances. The local authority may ask for details of your partner's finances on a separate form to ensure they are left with enough money to live on when you go into a care home.

## 3.3 Valuation of jointly owned capital

### Savings and the financial assessment

If you have more than £23,250 in capital, you are required to pay the full cost of your residential care. This figure is known as the '*upper capital limit*'. You might be called a '*self-funder*'.

Capital takes a number of forms including savings or property. If you have £23,250 or less, you may qualify for some financial assistance from the local authority.

The charging regulations give the local authority the power to treat you as having an equal share in jointly held capital, such as a joint bank account, except where there is evidence that your share is unequal. This does not apply if the asset is property or land.

If you have jointly held savings, it is in your interests to divide capital into the proportions owned by each of you before the financial assessment takes place. The example below explains why.

#### Example

You enter a care home and have £50,000 in a joint account with your partner. You are assessed as having £25,000 (50 per cent), which is only £1,750 above the upper capital limit.

However, £3,500 in total must be spent from the joint account before the overall total falls to £46,500 and your 50 per cent share falls to £23,250 (upper capital limit).

Opening separate bank accounts before moving into the care home saves you having to spend more money than is necessary before your assessed share falls below the upper capital limit. However, the position for jointly owned property is different, see overleaf.

### Property and the financial assessment

The value of your former home is disregarded from the financial assessment for as long as your partner remains living in it, after you move into permanent residential care. It can also be disregarded if a relative lives there, depending on their circumstances.

Other property assets can include buildings, for example a second home or land. If you jointly own other property, the value is assessed based on the current market value of your beneficial interest in it at the time of the financial assessment. Beneficial interest means having a right to a share of the sale proceeds if the property is sold. There is legal and beneficial ownership of property and most people have both.

The valuation must be the current market value of your beneficial interest in the property, minus 10 per cent of the value if there are actual expenses involved in selling the property. This must be expenses connected with the actual sale and not simply the realisation of the asset. For example, the costs to withdraw funds from a bank account are not expenses of sale, but legal fees to sell a property are. Any outstanding debts secured on the property, for example a mortgage, are deducted from its value in the financial assessment.

### Note

If you are a joint beneficial owner of property, meaning you have the right to receive some of the proceeds of its sale, it is your actual beneficial interest in the property that should be taken into account in the financial assessment, not the property as a whole.

The guidance requires any dispute about valuation to be promptly resolved, possibly by arranging an independent valuation.

For more information on care home funding and property see factsheet 38, *Property and paying for residential care*.

## 3.4 Pension credit rules

If you receive Pension Credit (PC) as a couple, your entitlement changes if one of you permanently enters residential care. The Pension Service treat you as two separate individuals and eligibility for PC or other benefits depends on your individual levels of income and capital.

## Note

Your qualifying age for PC is the same as your State Pension age, which for men and women is now 66 years of age.

## 4 Where a couple both go into a care home

### The local authority financial assessment

The local authority must assess you and your partner as individuals, regardless of whether you go into the same care home together. You should be financially assessed separately, based on your own capital and income, including your share of any jointly held capital assets.

### Pension Credit rules

In most cases, if you both enter the same care home permanently, you are treated as two separate individuals in separate households. However, if you share a room, the Pension Service must look at your particular circumstances to decide whether to treat you as individuals in separate households, or a couple in the same household.

Under Pension Service guidance, you are treated as being in the same household if you share a '*domestic establishment*'. In deciding this, examples of the issues to consider include:

- structure of days – can you decide when to get up, have meals, go to bed, etc?
- how the accommodation is arranged - do you decide which room is the dining room, the living room, etc?
- can you decide who can come and stay, and for how long?
- can you insist other people cannot enter your accommodation without permission?
- can you decide the decor and furnishing of your accommodation?
- do you have facilities for preparing food and making tea and coffee, etc?



- do you have responsibility for running the household - are you responsible for repairs, replacing domestic appliances or buying food?

If you are not treated as being in the same household, you need to make separate claims for Pension Credit or Universal Credit. Seek advice if you are inappropriately treated as a couple in this situation.

If you go into different care homes or live in different sections of the same care home, there should be no problem arguing you should be treated as two separate individuals.

### **Savings Credit disregard**

If you are entitled to Pension Credit Savings Credit, the financial assessment allows a small weekly income disregard when it is taken into account. If you are a member of a couple, this is a maximum of £10.40 and for a single person a maximum of £6.95. A Savings Disregard may also apply if you are not in receipt of Pension Credit Savings Credit.

For more information, see factsheet 48, *Pension Credit*.

## **5 50% private pension and annuity disregard**

If you enter a care home and have a personal or private pension, an occupational pension, or a retirement annuity, you can choose to pass 50 per cent to your partner remaining at home, and this amount must be disregarded in the financial assessment.

If you have more than one of these types of income, they are added together to reach the 50 per cent figure. Your partner may remain at home, or can live anywhere other than in the same care home as you. The disregard does not apply to:

- partners who are neither married nor civil partners (see section 7 about the discretion to increase the Personal Expenses Allowance)
- residents who pass an amount less than 50 per cent of their relevant income to their spouse or civil partner.

Note, if your partner receives a means tested benefit, such as Pension Credit (PC), and you pass on 50 per cent of a personal, private or occupational pension, or annuity to them, this may be counted as income when calculating their entitlement. However, Age UK are aware of cases where the Pension Service have disregarded the 50 per cent of pension passed over for PC purposes. Seek advice if you are unsure whether passing on the pension makes sense financially.

If your partner is already legally entitled to part of your private pension (for example, because of a Court Order), this amount is treated as already belonging to them in the financial assessment. You can pass 50 per cent of the remainder of your private or occupational pension, or annuity, to your partner as described above.

If someone else manages your finances under a Lasting Power of Attorney, Enduring Power of Attorney, or court-appointed deputyship, they can usually decide whether to pass income to your partner, including in situations where they are the person receiving the money.

An exception is if you (the donor) imposed specific restrictions or conditions in a Power of Attorney preventing this. Every decision taken on your behalf must be in your '*best interests*' in line with the *Mental Capacity Act 2005* and its Code of Practice.

For more information, see factsheet 22, *Arranging for someone to make decisions on your behalf*.

## 6 Short term and temporary care home residents

### Short term resident

If you enter a care home on a short-term basis of up to eight weeks, the local authority can choose to assess and charge you based on the rules as if you still live at home as a couple. See factsheet 46, *Paying for care and support at home*, for more information.

### Temporary resident

You are treated as a temporary resident in a care home if you are expected to return home within 52 weeks. In this case, you are treated as if you are a permanent resident, but the value of your home is disregarded and allowance is made for on-going housing costs.

When assessing how much you should contribute to care home fees, the local authority must carefully consider the needs of you and your partner.

If you receive Pension Credit (PC) as a couple and one of you enters a care home for a temporary stay, PC can continue to be paid as if you are both still at home. The local authority should ignore the amount paid in respect of your partner remaining at home, although they need to look at your partner's income to ensure the financial assessment is carried out accurately.

The guidance tells local authorities to ensure the partner at home receives an amount equal to the basic level of PC *'to which they may be entitled in their own right'*.

If Attendance Allowance (AA), Disability Living Allowance (DLA), or Personal Independence Payment (PIP) is being received, these should be completely disregarded in the financial assessment.

Payment of AA and care/daily living components of DLA or PIP stop after 28 days of local authority funding, or sooner if you have recently been in hospital or state-funded care home, and the authority must consider the impact on your ability to maintain your home. This can affect how much PC you receive.

Any additional amounts you need to maintain your home during a temporary stay so it is in a fit condition for you to return to must be disregarded. These include, but are not limited to, ground rent, service charges, water rates, or insurance premiums. If Housing Benefit is being paid, this should be disregarded.

If the local authority allows a single person rate for the partner at home when apportioning PC, they may expect household expenses to be shared equally and only allow half of the expenses. This allowance may reduce further if other non-dependant adults live in the household who could be expected to contribute to the household expenses.

For more information, see factsheet 58, *Paying for short term and temporary care in a care home*.

## 6.1 Effect on benefits and ‘mixed aged couples’

A mixed-age couple is one where one partner has reached State Pension age and the other partner has not.

If you are part of a mixed-age couple and your PC award stops because AA, DLA or PIP is suspended after 28 days, you may not be able to reclaim Pension Credit when you leave the care home. You may have to claim Universal Credit instead. See section 2.2 of factsheet 48, *Pension Credit* for more information and if you think you will be affected, seek specialist advice.

This can happen if your entitlement to PC is dependent on a severe disability addition being payable as part of that award. The severe disability addition is only paid if a qualifying disability benefit is also in payment. Hence, if AA, DLA or PIP stop being paid after 28 days as a short-term or temporary resident, and in turn the severe disability addition is no longer paid, then the PC award stops as a result.

## 7 Varying the personal expenses allowance

The local authority must allow you to keep a Personal Expenses Allowance (PEA) of at least £30.15 a week as part of the financial assessment if you enter a care home temporarily or permanently.

You must not be expected to spend the PEA on the cost of meeting your eligible care needs. It is intended for your own personal use. A local authority can choose to increase the PEA if you ask them to. You need to provide reasons why this is necessary.

If your property is disregarded in the financial assessment, the guidance requires the local authority to:

*consider whether the PEA is sufficient to enable [you] to meet any resultant costs. For example, allowances should be made for fixed payments (like mortgages, rent and Council Tax), building insurance, utility costs (gas, electricity and water, including basic heating during the winter) and reasonable property maintenance costs.*

If the local authority agree to increase your PEA, this part of your income can be made available to a partner at home. This can be helpful for couples who are neither married nor civil partners and who cannot take advantage of the 50 per cent pension disregard.

This is a discretionary power, so the local authority does not have to agree to increase your PEA. If it refuses your request without properly considering it, you can complain to challenge the decision, see section 10.

## **8 If your partner wants to move later on**

If your partner stays in your home once you move into a care home permanently, it is disregarded from your financial assessment for as long as they remain living there.

If your partner later decides to move from this home, the mandatory disregard ends and once the property is sold, your share of the sale proceeds can be taken into account in the financial assessment. Annex E of the guidance has an example of a local authority disregarding part of the proceeds of sale to meet a partner's downsizing need:

## Example

*Max has moved into a care home and has a 50% interest in a property that continues to be occupied by his civil partner, David. The value of the property is disregarded whilst David lives there, but he decides to move to a smaller property that he can better manage and so sells their shared home to fund this.*

*At the time the property is sold, Max's 50% share of the proceeds could be taken into account in the financial assessment, but, in order to ensure that David is able to purchase the smaller property, Max makes part of his share of the proceeds from the sale available. In such circumstance, it would not be reasonable to treat Max as having deprived himself of capital in order to reduce his care home charges.*

This should apply to married, unmarried, and civil partners. The authority also has discretion to treat relatives in the same way.

Once a new property is purchased, your share of any remaining sale proceeds will usually be included as capital in the financial assessment.

The authority can use its discretion to disregard sale proceeds in other situations, for example to help your partner secure rented accommodation, and must consider your individual request.

If you pass on any sale proceeds to someone else and the authority do not agree this was reasonable, they can financially assess you as if you still possessed the money under 'deliberate deprivation of assets' rules.

For more information see factsheet 40, *Deprivation of assets in social care*.

## Mental capacity

If you lack mental capacity to make a decision about making your share of sale proceeds available to someone else, a person authorised to act for you, such as a Lasting Power of Attorney or deputy, can make this decision on your behalf in your 'best interests'.

For more information, see factsheet 22, *Arranging for someone to make decisions on your behalf*.

## 9 The information and advice duty

The local authority is required to provide you with information and advice relating to care and support, even if you do not qualify for funding support from them. The service must, at the very least, deliver information and advice on:

- the local care and support system and how it operates
- the choice of types of care and support and the choice of providers available in the authority's area
- how to access the care and support that is available
- how to access independent financial advice on matters relevant to the meeting of needs for care and support, and
- how to raise concerns about the safety or wellbeing of an adult who has needs for care and support.

The information and advice must be accessible and appropriate to the needs of the types of local people who may require it, for example disability access issues must be considered in line with legal requirements set out in the *Equality Act 2010*.

## 10 Complaints, abuse and neglect and rights

If you are not satisfied with any aspect of the service you receive from the local authority, or you disagree with a decision they have made, you can make a complaint. For example, you may do this where you believe the local authority has not correctly valued your share of capital jointly held with your partner, or where the financial assessment has not considered your ability to help your partner remaining at home with household bills.

Complain through the local authority complaints procedure. If your complaint remains unresolved, ask the Local Government and Social Care Ombudsman (LGO) to investigate.

If you arrange and fund your own residential care, you have a right to complain to the LGO, as long as you have tried to resolve the complaint using the home's complaints procedure first. You can also contact the Care Quality Commission, the care home industry regulator, about concerns you have, although they do not investigate individual complaints.

If you have a concern about abuse or neglect, you should raise this with the local authority, who have safeguarding duties. The local authority's safeguarding duties apply irrespective of how your care is arranged and funded.

For more information, see factsheet 59, *How to resolve problems and complain about social care* and factsheet 78, *Safeguarding older people from abuse and neglect*.

## **Human rights – Home and family life**

Article 8 of the *Human Rights Act 1998* states:

*Everyone has the right to respect for his private and family life, his home and his correspondence.*

A high-profile case involved Mr and Mrs Driscoll who had lived together for 65 years. He was unable to walk unaided and relied on his wife to help him move around. She was blind and said she used her husband as her eyes.

They were separated after Mr Driscoll became unwell and moved into a residential care home. Mrs Driscoll wanted to move to the home with her husband but was told she did not meet the criteria used to by the local authority to allocate places.

Human rights and older people's organisations pointed out that the couple's right to respect for their home and family life had not been properly considered. A campaign by the family used human rights arguments to convince the local authority to reconsider its decision. Mrs Driscoll's needs were reassessed and she was offered a place in the same care home as her husband.

The Care Act takes human rights principles into account by requiring the local authority to consider your wellbeing when assessing your needs.



While this does not mean that a local authority cannot make decisions that affect your right to private and family life, it must ensure your rights are appropriately balanced against other considerations, such as the amount of money allocated for your care. It must always take a flexible approach, taking into account your individual circumstances.

## **Mental capacity**

If you lose mental capacity, all those who need to make decisions on your behalf must act in your '*best interests*' in line with the *Mental Capacity Act 2005* and its Code of Practice.

You may have set up a Lasting Power of Attorney (LPA) for financial decisions or for health and care decisions, or both types, whilst you had mental capacity.

An LPA needs to be registered with the Office of the Public Guardian to allow the attorney to make decisions for you within the powers granted to them and subject to any instructions set out in the LPA document. Your attorney could, for example, be your spouse, partner or civil partner.

If you lack mental capacity to create an LPA, someone can apply to the Court of Protection to be appointed as your deputy.

For further information see factsheet 22, *Arranging for someone to make decisions on your behalf*.

## Useful organisations

### Care Quality Commission

[www.cqc.org.uk](http://www.cqc.org.uk)

Telephone 03000 616 161

Independent regulator of health and social care services in England. They also assess how local authorities meet their duties under the Care Act 2014.

### Care Rights UK

[www.carerightsuk.org](http://www.carerightsuk.org)

Telephone 020 7359 8148

Advice and support to older people in care homes, and their relatives and friends.

### Carers UK

[www.carersuk.org](http://www.carersuk.org)

Telephone 0808 808 7777

Information, advice and support for carers, including information about benefits.

### Citizens Advice

[www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

Telephone 0800 144 8848

Free, confidential, independent advice, face to face or by telephone.

### Equality Advisory Support Service

[www.equalityadvisoryservice.com](http://www.equalityadvisoryservice.com)

Telephone helpline 0808 800 0082 Mon-Fri 9am-7pm, Sat 10am-2pm

Information and advice about the *Equality Act 2010* and human rights.

### Local Government and Social Care Ombudsman

[www.lgo.org.uk](http://www.lgo.org.uk)

Telephone 0300 061 0614

Provides free, independent, service for complaints about local authorities; also about social care service providers for self-funders.

### Pension Service (The)

[www.gov.uk/pension-credit](http://www.gov.uk/pension-credit)

Telephone 0800 99 1234

Deals with Pension Credit claims.

## Age UK

Age UK provides advice and information for people in later life through our Age UK Advice line, publications and online. Call Age UK Advice to find out whether there is a local Age UK near you, and to order free copies of our information guides and factsheets.

### Age UK Advice

[www.ageuk.org.uk](http://www.ageuk.org.uk)

0800 169 65 65

Lines are open seven days a week from 8.00am to 7.00pm

### In Wales contact

#### Age Cymru Advice

[www.agecymru.org.uk](http://www.agecymru.org.uk)

0300 303 4498

### In Northern Ireland contact

#### Age NI

[www.ageni.org](http://www.ageni.org)

0808 808 7575

### In Scotland contact

#### Age Scotland

[www.agescotland.org.uk](http://www.agescotland.org.uk)

0800 124 4222

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## Next update April 2025

The evidence sources used to create this factsheet are available on request.

Contact *resources@ageuk.org.uk*

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