Help with Paying for Care- fact sheet 3 deferred payments

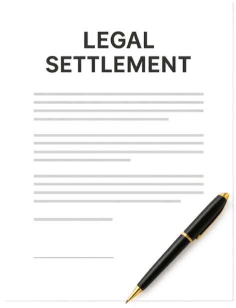
How Sefton Council's Deferred Payment Works

A **Deferred Payment Agreement** is a loan from Sefton Council. It helps pay for care home costs if your money is tied up in your home. You don't have to sell your home straight away.

The Council secures the loan against your home, like a mortgage. You pay a weekly amount, and the Council pays the rest. This extra amount becomes a debt.

To apply, you must have less than £23,250 in savings (not counting your home). You need to be assessed as needing permanent care in a registered care home.

You must own a property that can be used as security for the loan. If you have a mortgage, the lender must agree to the Council's charge.



Anyone living in your home who is not an owner must agree to the legal charge. You must provide proof of insurance and that the property is well-maintained.

There are fees and interest for the loan. Fees include set-up costs, annual charges, and closing costs. Interest starts when the Council begins paying for your care.

You can keep up to £144 per week from your income. You can choose to keep less to reduce the debt. If you rent out your home, you must tell the Council.

You can end the agreement by selling your home or repaying the debt. If you die, the debt is usually payable 90 days later. The Council cannot cancel the agreement without your consent.

If your care home charges more than the Council's standard amount, this is a "top-up." It may be included in the deferred payment if the Council agrees.

If a deferred payment is not right for you, consider using your income and savings or renting out your property to pay for care.

Tell the Department for Work and Pensions (DWP) if you move into a care home. Some benefits may stop or reduce after 28 days.

Once a Deferred Payment Agreement is in place, some disability benefits may start again. If you sell your home, Pension Credit or Employment and Support Allowance may resume after 12 weeks.

The mobility component of Disability Living Allowance (DLA) or Personal Independence Payment (PIP) is not affected by a stay in a care home.

If you receive Housing Benefit or Council Tax Reduction, these may change if you move into a care home long-term. Contact Sefton Council to report your move.

For help, contact Sefton Council, HM Land Registry, Sefton Advocacy Centre, Citizens Advice, Age UK Advice Line, or Sefton Carers Centre.