

MONEY MATTERS

Caring for someone at home often causes money problems, especially when the caring continues for a long time.

Benefits are there to help you

Use the benefits to help with extra costs of caring! The government provides a variety of benefits, allowances and credits both for you and the person you care for, so don't be reluctant to claim them.

- **Carers Allowance** is for anyone in a caring role who is aged 16 or older. They must spend the minimum of 35 hours a week caring for a person receiving Attendance Allowance or the middle/higher care component of the Disability Living Allowance. There is an earnings limit and the receipt of certain other benefits may affect your entitlement.
- **Carer Premium** is for a carer receiving or entitled to receive Carers Allowance who is receiving Income Support, Pension Credit, Housing Benefit or Council Tax Benefit.
- **Home Responsibilities Protection Scheme** helps protect the state pension position of carers by reducing the number of qualifying years needed to build up the full basic state retirement pension and by helping build up a State Second Pension. With certain benefits, it is automatically awarded. Otherwise, you can check with the *Department for Works and Pensions*. Details and how to apply are in the booklet "State Pensions for carers and parents" (PM9). Apply as soon as possible .
- **Housing Benefit and Council Tax Benefit** are income related benefits to help people pay their housing costs and Council Tax. They are dependent on income, but if you receive the guarantee credit of pension credit, you may still be entitled to these benefits.
- **Council Tax Reduction/Exemptions** You may be entitled to a reduction or exemption in your Council Tax under certain circumstances.
 - If someone in the house is substantially and permanently disabled and your house has been modified for the benefit of that disabled person, you could qualify for a reduction in banding.
 - In certain specific circumstances (eg you care for someone who is not your partner or child), you may be seen as an 'exempt person' and so ignored as a resident in the house. This would mean in a two-person household, you are eligible for the 25% single person discount.
 - People who are 'severely mentally impaired' may also be similarly ignored. In a two-person household, the 25% discount could again apply as above.Contact *Worcestershire Association of Carers* for a fact sheet.
- **Disability Living Allowance (DLA)** is a benefit that is not dependent on your income and savings. It is for those under 65 who need help with personal care and/or with mobility. You must have had a disability for at least three months that is likely to continue. For those people who receive the higher rate mobility component of DLA, you should be eligible to apply for exemption from road tax. Entitlement to DLA may also entitle you to other benefits, such as Income Support/Pension Credit, Housing and Council Benefit. Contact the *Disability and Carers Service*.
- **Attendance Allowance (AA)** is a benefit that is not affected by your income or savings. It is for those over 65 who are ill or disabled and need help with personal care. You must have had a disability for at least six months, which is likely to continue, or be terminally ill to be able to access this benefit. There is

no mobility component. Entitlement to Attendance Allowance may also entitle you to other benefits such as Pension Credit, Housing and Council Tax Benefit. Contact the *Disability and Carers Service*.

- **Incapacity Benefit** is a contribution based benefit paid to people who are incapable of work, due to a physical or mental illness. It is dependent on sufficient National Insurance contributions.
- **Jobseekers Allowance** is for people who are unemployed but are available for and actively seeking work. Income-based Jobseekers Allowance is for people with no income or a low income.
- **Tax Credit** is for people who are employed or self-employed, but are still on low income. Rates are dependent on age and circumstances. This benefit is means tested.
- **Pension Credit** This benefit can be available to people who are living independently and to some individuals in care who are receiving Local Authority funding. This benefit is split into two parts - guaranteed credit and savings credit and you may be entitled to only one part, depending on your circumstances. The benefit is dependent upon current income (Pension and/or Private Pension), savings and your potential entitlement to any premiums. Contact the *Department for Work and Pensions*.
- **Disabled Students Allowance** this is available to students who are studying either a part-time or full-time course at Higher Education or University. It can help towards costs as a direct result of disability, this may include specialist equipment, non-medical helpers and travel, it is not means tested and does not have to be repaid. In most cases applications need to be made through your Local Education Authority.
- **Social Fund** provides lump-sum payments, grants and loans in exceptional circumstances. The payments are discretionary and can include crisis and budgeting loans, community care grants, maternity grants and funeral payments.

Your benefits will be assessed on the basis of your current situation and all of the above mentioned can be affected by your existing income and circumstances.

You may need help in deciding which benefits apply to you and/or the person you care for. The *Benefits Agency* can advise you (free *Benefit Enquiry Helpline*), as can your local *Citizens Advice Bureau*, *Age Concern*, *DIAL*, or *Worcestershire Association of Carers*.

Taking responsibility

It is not always easy to look ahead and plan for the future. But it is particularly important for you, as carer, and the person you care for to do so. Otherwise you may face financial and legal problems if the person you care for becomes incapable of managing their own affairs. As an "**agent**", you can receive benefits on behalf of the person you care for. You could be nominated as their "**appointee**", if they are mentally not capable. This gives you full responsibility for bank accounts, including repayment of any debts. The *Department for Works and Pensions* can supply you with additional information.

Power of Attorney and Enduring Power of Attorney:

This enables someone legally to give another person the right and responsibility to manage their affairs. It must be executed **before** that person becomes mentally incapable of managing for themselves.

Ordinary **Power of Attorney** ends when the person giving it is no longer mentally capable, while the **Enduring Power of Attorney** continues after the person giving

Power of Attorney is no longer mentally capable. It does not need to come into effect until it is needed i.e. when they are no longer able to look after their own affairs. The *Public Guardianship Office* can offer further information and a free booklet. If the person becomes mentally incapable and there is no Enduring Power of Attorney, it may be necessary to apply to the **Court of Protection**, who will appoint a receiver to look after their affairs.

Making a Will

You will need to consider who you want to inherit your property, savings and other assets when you and/or your partner dies. Consider family, Friends and/or charities you wish to benefit from your inheritance. A number of leading voluntary organisations can help or else you may wish to contact a solicitor. Dying without a will (intestate) could mean your assets might pass in a way you might not wish.

Discretionary Trust Fund

You may want to consider setting up a **Discretionary Trust Fund** with a solicitor, which would come into effect to protect the person you care for if anything happens to you. A Discretionary Trust Fund involves you nominating Trustees who have the power to decide how the money is used, bearing in mind the best interests of the named beneficiaries. All Trustees will need to agree decisions made. If you use a Discretionary Trust Fund you will need to reference this in your Will.

Pensions for carers

People who have given up work or who are on a low income because they are caring for someone, may be able to get additional **State Pension** when they retire. (See Home Responsibilities Protection above). Certain carers and parents are able to build up additional State Pension through the **State Second Pension**. Many will build up a State Second Pension automatically, but some carers may need to take action to ensure they qualify when they retire. For further information, there is an explanatory booklet "State Pensions - your guide" (S2P052)

Anyone over 16 can start a private **Stakeholder Pension** contributing up to a specific limit. This amount will include a percentage contribution from the state.

Sorting out financial affairs can be complicated and needs careful thought and good professional advice.