Calculating Individual’s Co-payment for the Nursing Home Support Scheme - Fair Deal

1. The scheme provides a uniform system of financial support for individuals in public and private nursing home beds and ensures that long-term nursing home care is affordable for all.

2. The scheme will be operated by the HSE, and co-funded by the individual and the HSE.

3. An individual’s co-payment is calculated based on a person’s ability to pay:
   a. The person’s contribution is based on 80% of assessable income i.e. pension, SFP payment, rental income etc; and
   b. 7.5% of the value of assets per annum, including the principal private residence & farm (5% of assets if the application was made prior to the 25th July 2013)

4. A number of additional factors determine the actual level of co-payment:
   a. The first €36,000 of any assets owned by the individual is disregarded, or €72,000 for a couple.
   b. The 7.5% charge on assets per annum will be implemented as follows:
      i. 7.5% annual charge will be payable at the time of receiving care on all ‘cash equivalent’ assets, such as savings or investments.
      ii. 7.5% annual charge on principal residence is capped at 22.5% (i.e. payable at 7.5% per year for the first three years in care only).
      iii. The charge on principal residence can be deferred during a person’s lifetime i.e. it will be payable from their estate.
   c. In the case of couples, each individual’s assessed income and assets will be considered as half of the couple’s combined income and assets.

5. The farm or farm business is taken into account in the financial assessment of assets and a charge of 7.5% per annum is applied.

6. In certain circumstances a 3-year limit or cap of 22.5% similar to that applied to principal residence, is applied to the farm or farm business.

7. The 3-year limit is applied to the farm or farm business under the following circumstances:
   a. Where the person has suffered a sudden illness or disability, which causes them to require long-term residential care.
   b. Where the person or their partner was actively engaged in the daily management of the farm up until the time of the sudden illness or disability.
   c. Where a family successor certifies that he or she will continue the management of the farm or relevant business.

8. All assets transferred for 5 years or more are excluded from the assessment of means.

9. Since an individual’s co-payment liability varies depending on the individuals financial circumstances IFA recommends that farmers get professional advice from their accountant when applying for the Fair Deal scheme.