

Nursing Homes Support Scheme

“A Fair Deal”

Frequently Asked Questions

July 2013

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1. Introduction

1. What is the Nursing Homes Support Scheme?

The Nursing Homes Support Scheme, often referred to as the “Fair Deal”, is a scheme of financial support for people who require long-term nursing home care. The Scheme is operated by the HSE.

2. What facilities does the Scheme cover and where can I get a list of these?

The Scheme covers private nursing homes, voluntary nursing homes and public nursing homes. The list of nursing homes participating in the Scheme is available on the HSE website.

3. Who can apply for the Scheme?

Anyone who is ordinarily resident in the State can apply for the Scheme, regardless of age.

4. What type of care does the Scheme cover?

The Scheme covers long-term nursing home care only. It does not cover short-term care such as respite or convalescent care, or day care although these types of services may be provided in some nursing homes.

5. What services are covered by the Scheme?

The services covered by the Scheme are:

- nursing and personal care appropriate to the level of care needs of the person,
- basic aids and appliances necessary to assist a person with the activities of daily living,
- bed and board, and
- laundry service.

Incontinence wear, where required, is provided free of charge by the HSE to all Nursing Homes Support Scheme residents that possess a Medical Card.

Furthermore, a person’s eligibility under other schemes, e.g. Medical Card and Drugs Payments Schemes, remains unaffected by the introduction of the Nursing Homes Support Scheme.

Under the Health Act 2007 (Care and Welfare of Residents in Designated Centres for Older People) Regulations 2009, the registered provider must agree a contract with each resident. This contract must include details of the services to be provided to that resident and the fees to be charged. Residents should not be charged fees which are not set out in the contract.

A person who avails of the Nursing Homes Support Scheme should not be charged any additional fee over their contribution (as assessed by the HSE), except where he or she chooses to obtain additional services over and above long-term residential care services, for example, hairdressing or the delivery of daily newspapers.

6. Can I choose to meet the full cost of care privately rather than apply for the Nursing Homes Support Scheme?

Yes, you also have the option of applying for the Scheme at a later date if you wish.

2. Applying for the Scheme

7. How do I apply for the Scheme?

Applications are made to your local Nursing Homes Support Office on the standard application form.

The application process contains three steps:

- Step 1 is an application for a Care Needs Assessment.
- Step 2 is an application for State support.
- Step 3 is an optional application for the Nursing Home Loan (“Ancillary State support”). You need only fill out this part of the application form if you wish to apply for the Nursing Home Loan.

You can find contact details for your local Nursing Homes Support Office or find out more about the Scheme on www.hse.ie or from the HSE infoline on **1850 24 1850**.

8. Where can I get the Application Form?

Application forms are available online, from your local Nursing Homes Support Office or from any health care setting in your area including your Local Health Office and hospital.

9. Can I apply for the Scheme on behalf of someone else?

Where the applicant is of diminished mental capacity, a **specified person** can act on his/her behalf for Steps 1 and 2 of the application process

Only a court appointed **care representative** (see section 6) can act on the applicant’s behalf for Step 3, the Nursing Home Loan (unless the person is a ward of court or there is an existing enduring power of attorney which enables the attorney to act in that regard).

10. Who qualifies as a specified person?

A specified person is:

- a) In the case of a ward of court, their Committee,
- b) A person appointed under a valid, registered enduring power of attorney who is not restricted from applying for the Scheme,
- c) A care representative appointed under the Nursing Homes Support Scheme Act,
- d) A person’s spouse or partner,
- e) A relative who is 18 years of age or over,
- f) A next friend appointed by a court,
- g) A legal representative, or

- h) A registered medical practitioner, nurse or social worker.

The people listed at (a)-(c) have first priority over those listed at (d)-(h). This means that they have the right to act as a specified person ahead of the other categories. However, the people listed at (a)-(c) may consent in writing to a person with lesser priority acting as the specified person.

3. Care Needs Assessment

11. What is the purpose of the Care Needs Assessment?

The Care Needs Assessment identifies whether or not you need long-term nursing home care, i.e. whether you can be supported to continue living at home or whether long-term nursing home care is more appropriate.

12. Who do I contact to apply for a Care Needs Assessment?

Your local Nursing Homes Support Office is the first point of contact for all matters relating to the Scheme. Details of your local Nursing Home Support Office are in the Information Booklet and Application Form or can be obtained from the HSE Infoline on 1850 24 1850.

13. Who will carry out the Care Needs Assessment?

The Care Needs Assessment will be carried out by appropriate healthcare professionals, for example, a nurse etc., appointed by the HSE.

14. Where will the Assessment be carried out and what will it involve?

The assessment can be completed at any time in a hospital or a community setting such as your own home and may involve a physical examination. During the assessment, the healthcare professionals will look at the family and community support available to you, your ability to carry out the basic activities of daily living (e.g. feeding, dressing and washing) and any medical/health issues. They will also take your wishes and preferences into account.

15. Will I get the results of the Care Needs Assessment?

When the Care Needs Assessment has been completed a report will be prepared. You will be given a copy of this report, known by the HSE as the *Common Summary Assessment Report (CSAR)* which will summarise the findings of the healthcare professionals who carried out your assessment.

16. Can I apply to have the result reviewed/appealed?

Yes. Please see section 8 for information on reviews and appeals.

4. Financial Assessment

17. What is the purpose of the Financial Assessment?

The Financial Assessment looks at all of your income and assets in order to work out what your contribution to care will be. The HSE will then pay the balance of your cost of care.

It is important to emphasise that nobody will ever pay more than the cost of their care.

18. How is my contribution to care calculated?

The financial assessment is slightly different depending on when you applied for the Scheme.

There are two elements to your contribution. You will contribute up to 80% of your assessable income and 7.5% of the value of any assets per annum (5% of assets if the application was made prior to the 25th July 2013). However, the first €36,000 of your assets, or €72,000 for a couple, will not be counted at all in the financial assessment.

If your assets include land and/or residential property in the State, the 7.5% contribution based on those assets can be deferred. This means it does not have to be paid during your lifetime and will be collected from your estate. This is the Nursing Home Loan element of the Scheme which is legally referred to as “Ancillary State support” (see section 5 for further information).

Examples of how the financial assessment operates are at Appendix 1.

19. Will my house be taken into account?

Your principal residence will only be included in the financial assessment for the first 3 years of your time in care. This is known as the 22.5% or ‘three year’ cap (15% if the application was made prior to the 25th July 2013) and means that after three years of care you will not be liable for any further contribution based on the value of the principal residence. The three year cap takes account of time spent in long-term care before the introduction of the scheme

The three year cap also extends to farms and business in certain circumstances (see below).

All other assets will be taken into account for as long as you are in care.

20. Are any allowances taken into account?

Certain payments, termed allowable deductions, can be taken into account during the financial assessment. It will be the responsibility of the applicant to request any such deductions and to provide the information the HSE will require in order to permit the deductions (see Part 3B of the Application Form).

Allowable deductions include: health expenses, interest on loans related to the principal residence, rent (if you live in a rented property).

21. How does the financial assessment take account of couples?

In the case of a couple (couple is explained below), each person will be assessed on the basis of half their combined assessable income and assets. For example, if a couple’s net income was €600 per week, the assessment of

the person needing care would be based on 50% of €600, or €300, i.e. the person needing care would be considered to have a total income of €300 per week.

The Scheme contains several important safeguards which are designed to ensure that both the person in the nursing home and their spouse/partner are adequately provided for financially:

- The person entering nursing home care retains at least 20% of their income, or 20% of the maximum rate of the State Pension (Non-Contributory), whichever is the greater.
- Where the person's spouse/partner remains at home, he/she retains 50% of the couple's income, or the maximum rate of the State Pension (Non-Contributory), whichever is the greater.
- Where both members of the couple enter nursing home care, they each retain at least 20% of their income, or 20% of the maximum rate of the State Pension (Non-Contributory), whichever is the greater.

In the case of a couple, the contribution based on the principal residence will be capped at 11.25% (7.5% if the application was made prior to the 25th July 2013) where one partner remains in the home while the other enters long-term nursing home care, i.e. the 'three year cap' applies. Where a person opts for the nursing home loan in respect of the principal residence, their spouse or partner can also apply to have the repayment of the loan deferred for their lifetime (see section 9).

22. How is couple defined for the purposes of the Scheme?

A couple is defined as (a) a married couple living together or as (b) a heterosexual or same sex couple who are cohabiting as life partners for at least three years prior to making an application to the Scheme.

23. What if I don't have any asset(s). Can I still apply for the Scheme?

Yes, you can apply for the Scheme. Your contribution to care will simply be based on 80% of your assessable income.

24. In what circumstances will farms and businesses be included in the financial assessment for the first three years of care only?

The three year cap applies to farms/businesses where:

- (i) the person has suffered a sudden illness or disability which causes them to require long-term nursing home care, and
- (ii) the person or their partner was actively engaged in the daily management of the farm or relevant business up until the time of the sudden illness or disability, and
- (iii) a family successor certifies that he or she will continue the management of the farm or relevant business.

This measure is intended to ensure the financial sustainability of family farms and businesses in cases where a person suffered a sudden illness and did not have an opportunity to put appropriate succession arrangements in place.

25. Couldn't I just transfer my income and assets in order to reduce my contribution?

No, the Scheme contains measures to protect against this. Under the legislation, any income or asset which is transferred within 5 years of applying for the Scheme is taken into account in the financial assessment.

This does not affect your right to sell assets for full market value. Rather it is intended to prevent people from depriving themselves of assets for the purposes of the financial assessment.

5. Nursing Home Loan (“Ancillary State Support”)

26. What happens if I decide to defer the contribution based on my assets?

Where approved, the HSE will pay the money to your nursing home on your behalf. The amount loaned (with the Consumer Price Index applied to take account of the time value of money (i.e. inflation or deflation) since the loan was made) will be collected from your estate after your death. This is called the Nursing Home Loan.

27. How do I apply for this loan?

You apply using the relevant part of the Application Form. In order to apply for the loan you will need to consent to having a Charging Order registered against your asset. This secures the money loaned against the property.

You may choose to apply for this element of the Scheme at the date of initial application or at any stage while resident in the nursing home. If you are part of a couple, your spouse/partner must also provide written consent.

28. Do I have to pay interest on the loan?

When the Nursing Home Loan falls due for repayment, the HSE will write to the person responsible for the repayment to notify them that the loan must now be repaid and advise them of the amount due. In doing this, the HSE will apply the Consumer Price Index to the loan to take account of the time value of money (i.e. inflation or deflation) since the loan was made.

The people who may be responsible for the repayment include you, your spouse/partner or your personal representative (after your death).

The amount due should be repaid as soon as possible after notice is received from the HSE. There are certain time limits (see below) for repayment and, if payment is not made within these time limits, interest will have to be paid (see question 55 for further details).

29. What is a Charging Order?

It is a simple type of mortgage which secures the money loaned by the HSE. Subject to your consent, the HSE is responsible for making the Charging Order, registering it against your property/land and making Nursing Home Loan payments on your behalf.

30. Can I apply for a Nursing Home Loan on behalf of someone else?

Only a **care representative** who has been appointed by the Circuit Court, the Committee of a Ward of Court or and Attorney appointed under an Enduring Power of Attorney can apply for the Nursing Home Loan on behalf of another person. See section 6 below for information on becoming a care representative.

31. What are the implications of the loan for my spouse/partner?

Opting for the Nursing Home Loan ensures that your spouse/partner does not have to find the money upfront to pay the contribution based on your family home. You can defer these contributions for the duration of your lifetime and your spouse/partner can continue to live in the family home.

Your spouse/partner can apply for a further deferral of the loan when it falls due for repayment. This ensures that s/he will not have to sell or re-mortgage the house in order to make the repayment. You'll find more detail on this in section 9 below.

32. When do I have to repay the loan?

The repayment of the loan is explained in section 9 below.

33. What if I have two assets on one Folio, e.g. my house and my farm, and wish to apply for the Nursing Home Loan in respect of both?

You have two options in this case. The HSE can put two Charging Orders on two separate parts of the folio (both of which would have to be valued separately) or you can consider splitting the folio in two. This could be useful, for example, if there is a possibility that you may sell part of the land independently of the house prior to the loan falling due for repayment.

You may wish to consult with your solicitor if you are going to consider separating a folio.

6. Care Representative

34. What is a Care Representative?

A care representative must be appointed when a person with reduced capacity to make decisions (i.e. diminished mental capacity) wishes to apply for the Nursing Home Loan. A care representative is not required if the applicant for the Scheme is not of diminished mental capacity or if the Nursing Home Loan is not required.

The care representative role is to act on behalf of the person in respect of the Nursing Homes Support Scheme and especially in respect of the Nursing Home Loan. They can also act on behalf of the person in relation to making an application for a Care Needs Assessment, State support, or any other matter relating to the Scheme.

35. Who can apply to become a Care Representative?

The following persons, in order of priority, may apply to be appointed to act as

your care representative once they are 18 years of age or over:

1. Your spouse/partner,
2. Your parent,
3. Your child,
4. Your brother or sister (whether of the whole or half blood),
5. Your niece or nephew,
6. Your grandchild,
7. Your grandparent,
8. Your aunt or uncle,
9. A person who appears to the court to have a good and sufficient interest in your welfare, other than -
 - the owner of a nursing home in which you reside or are likely to reside, or
 - a medical practitioner who examined you and prepared a report for the Court in relation to your capacity.

36. What does diminished mental capacity mean and who decides if a person's capacity is diminished?

A person is considered to be of diminished mental capacity if, in relation to a decision on applying for the Nursing Home Loan and consenting to the Charging Order, he or she is unable:

- a) to understand the information relevant to the decision,
- b) to retain that information,
- c) to use or weigh that information as part of the process of making the decision, or
- d) to communicate his or her decision (whether by talking, using sign language, communicating through a third party or any other means).

Two reports from two separate registered medical practitioners are required as evidence that a person is of diminished mental capacity.

37. How do I get appointed as a Care Representative?

An application must be made to the County Registrar in any county in the Circuit in which the person requiring a care representative now lives or in which he or she has lived at any time during the past three years. It must be accompanied by the medical reports mentioned above.

The forms required for an application are available on the Courts Service website (www.courts.ie) and from the HSE. Information on the Court fees payable in relation to an application is also available on the website.

38. Will I need a Solicitor to become a Care Representative?

You do not need to obtain legal representation in order to be appointed as a care representative. However, anyone who wishes to seek legal advice/representation is free to do so.

39. Are there any situations where a Care Representative does not need to be appointed?

A care representative is not needed in order to apply for the Nursing Home Loan in any of the following cases:

- Where the applicant is of full mental capacity.
- Where the applicant is a Ward of Court (in such cases the Committee of the applicant may apply where he/she has been authorised to do so by the President of the High Court).
- Where a person is appointed under a valid, registered Enduring Power of Attorney to act on behalf of the applicant and is not restricted by the terms of the Power of Attorney from applying for the Nursing Home Loan.
- Where another person is already permitted by law to act on behalf of the applicant.

7. Next Steps – Provision of Support and Choice of Nursing Home

40. How will I know what to do next?

When the Care Needs and Financial Assessments have been completed, the HSE will write to you and inform you of your contribution to care and your eligibility for State support/the Nursing Home Loan (if applicable).

At this stage you will also be provided with the list of nursing homes that are participating in the Scheme. This list will include public nursing homes, voluntary nursing homes and approved private nursing homes.

41. Can I choose any nursing home?

You may choose any nursing home from the list subject to the following conditions:

- The home must have a place for you, and
- The home must be able to cater for your particular needs. The nursing home will have to carry out an assessment to determine whether it can meet your particular needs.

Your choice of nursing home is not connected in any way to the level of your contribution to care.

42. Who do I pay my contribution to?

If you select a **public or voluntary nursing home**, you will pay your contribution to the HSE or voluntary nursing home as appropriate each week and the State will pay the balance on your behalf.

If you select an **approved private nursing home**, you will pay your contribution to the nursing home provider each week and the State will pay the balance on your behalf.

43. When will my State support be paid from?

Financial support is paid either from the date that the application was approved or from date of admission to the nursing home, whichever is the later.

44. Could the HSE run out of funding for the Scheme?

The HSE is provided with a set level of funding for the Scheme each year. While it is hoped that there would be sufficient funding to support everyone, there may be situations where a person's name must go onto a national placement list until funding becomes available. If this is the case the HSE will notify you when it writes to advise you whether you are eligible for financial support.

8. Reviews/Appeals

45. Where do I apply to make an appeal?

The HSE will inform you of the appeals process and provide details of your local Appeals Office when it writes to you to inform you of the outcome of your Care Needs and Financial Assessments.

46. My Care Needs Assessment found that I did not need long-term nursing home care. What are my options?

You can appeal the decision to your local Appeals Office. Furthermore, the care needs assessment can be reviewed six months after a previous assessment or earlier if a) the HSE is satisfied that there has been a material change in your health or circumstances or b) a registered medical practitioner states that in his/her opinion there has been a material change in your health or circumstances since your most recent care needs assessment.

47. I was assessed as needing long-term nursing home care and I am now in receipt of State support. Can I seek a review?

Yes, reviews are carried out by your local Nursing Home Support Office and you should contact them if you want to have your Care Needs or Financial Assessment reviewed.

48. How long will it take for me to find out the result of my review?

Once the HSE has made a decision regarding the review, you will be notified of the decision and the reasons for the decision, in writing, within 10 working days.

9. Repayment of the Nursing Home Loan

49. When does the Nursing Home Loan have to be repaid?

If you opt for the loan, it will become repayable:

- a) after your death,
- b) if you sell or transfer your property (if this occurs before your death),
- c) if you or your partner are deemed to be bankrupt, or
- d) if the HSE determines that it has been given false/misleading information relating to your application for the loan.

50. Does the entire loan have to be repaid after my death?

Any part of the loan which was based on assets other than the principal residence must be repaid after your death.

The repayment of the part of the loan based on the principal residence can be further deferred if there are certain categories of people (see below) living in the house. In such cases, the repayment is deferred for the duration of that person's lifetime ("further deferral").

51. Who qualifies for further deferral?

The following people can qualify for further deferral:

- a) Your spouse or partner,
- b) Your child (or your spouse/ partner's child) if they are under the age of 21 years or if their assets do not exceed the asset disregard
- c) Your sibling if their assets do not exceed the asset disregard,
- d) A relative in receipt of a disability or similar allowance, blind person's Pension, the State pension (non-contributory) or whose income doesn't exceed the State pension (contributory),
- e) A relative who is in receipt of a foreign pension or allowance similar to those outlined in (d) above,
- f) A relative who owns a building to which the principal residence is attached (e.g. a 'granny flat'), or
- g) Any person who cared for an applicant prior to the latter entering nursing home (this is defined by reference to relevant social welfare payments).

The individuals at (b)-(g) above are termed "**connected persons**" and they must also satisfy the following conditions:

- The asset in question must be their only residence, and
- They must have lived there for not less than 3 years preceding the original application for the Nursing Home Loan, and
- They must not have an interest in any other property.

52. Do I automatically receive a further deferral or do I need to apply?

You must apply to the HSE for further deferral of repayment of the loan. The application should be made within three months of the death of the person who was in the nursing home (or such longer period, not exceeding six months, as the HSE considers appropriate).

53. Who repays the loan after my death?

The person responsible for the repayment of the loan will differ depending on the circumstances. For example, if you sell or transfer your property during your lifetime, you and your spouse/partner will be responsible for the repayment. On the other hand, where the loan is repayable on your death, your personal representative will be responsible for the repayment.

A person who inherits the property or any part of it can also be held accountable for repayment of the loan.

The person who is responsible for the repayment will be notified by the HSE that the loan is due for repayment. The repayment must be made to the Revenue Commissioners.

54. Can I repay the loan to the HSE instead?

No. Under the legislation the loan must be repaid to the Revenue Commissioners.

55. Does interest have to be paid on the loan?

The loan should be repaid as soon as possible after notice is received from the HSE. There are certain time limits (see below) for repayment and, once payment is made within these time limits, interest will **not** have to be paid.

- If the repayment arises because of the death of the person in care it must be repaid within **12 months** of the date of death. Otherwise interest will apply from the date of death.
- If the loan is repayable because of the sale or transfer of your property during your lifetime, it must be repaid within **6 months** of the date of sale or transfer, or interest will apply back to that date.

10. Nursing Home Owners

56. How do I go about getting “approved” for the purposes of the Nursing Homes Support Scheme?

In order to become approved for the purposes of the Scheme, a private nursing home must:

- a) be registered and subject to inspection by the Health Information and Quality Authority (HIQA)
- b) have agreed a price for the purposes of the Scheme with the National Treatment Purchase Fund (NTPF),
- c) hold a valid tax clearance certificate.

57. What role does the National Treatment Purchase Fund (NTPF) play under the Scheme?

The NTPF negotiates with private nursing homes to agree prices for the purposes of the Scheme. These agreed prices will form the basis for the balance of cost to be paid by the State in respect of people who qualify for support.

58. How do I contact the NTPF?

Nursing Homes with queries on pricing can contact the NTPF by email at section40@ntpf.ie or by post at:

Section 40,
National Treatment Purchase Fund,
6th Floor,
Ashford House,
Tara Street,
Dublin 2.

11. Quality and Standards

59. Are all of the nursing homes on the list inspected for quality?

The Health Information & Quality Authority (HIQA) has set the standards that nursing homes must meet and nursing homes will be inspected against these.

These Standards are a key component in ensuring the quality and safety of residential care for our older population and provide a baseline for those with the responsibility for providing care. They also provide very clear guidelines for residents, their families and/ or representatives as to the rights of a resident living in a residential care setting.

Inspection reports are available on the HIQA website: www.hiqa.ie.

Appendix 1

Examples of the Financial Assessment

Please note that these examples are for illustrative purposes only and are not intended as a definitive guide to the Nursing Homes Support Scheme Act 2009.

NOTES:

- i. The cost of nursing home care varies. For illustrative purposes, the examples are all based on a cost of care of €1,000 per week.
- ii. In the case of couples, the financial assessment is based on half of their combined income and assets, i.e. 80% of half the combined assessable income OR 40% of the combined income and 7.5% of half the value of the assets OR 3.75% of the combined assets. In addition, the asset disregard increases to €72,000.

Example 1

Mr. Smith, Single, House

Mr. Smith has an income of €250 per week and a house worth €250,000. He decides to apply for financial support under the Nursing Homes Support Scheme. Under the scheme, he will contribute 80% of his income each week towards the cost of care. This equates to **€200 per week** (i.e. 80% of €250).

He will also make a contribution towards his care costs based on his assets, in this case his house. This will amount to 7.5% of its value per annum or **€308.65 per week** (i.e. $€250,000 - €36,000$ (asset disregard) = $€214,000 \times 7.5\% = €16,050/52 = €308.65$).

This means that Mr. Smith's must contribute €508.65 per week towards his cost of care. The cost of the nursing home is €1,000 per week. The HSE will pay the balance, i.e. €491.35 per week.

However, Mr. Smith does not have the contribution based on his house, i.e. the €308.65 per week, to pay upfront and does not want to sell his house. He, therefore, applies for and receives the Nursing Home Loan. This means that the HSE will pay the additional €308.65 on top of the €491.35 it is already paying per week. It is effectively giving Mr. Smith a loan of €308.65 every week. The HSE's weekly contribution is now €800 (i.e. $€308.65 + €491.35 = €800$).

If Mr. Smith had not availed of the Nursing Home Loan, he would have had to pay the contribution based on his house, i.e. the €308.65 per week, upfront.

After three years, Mr. Smith's house would be discounted from the financial assessment.

Example 2

Ms. Murphy, Single, House and Savings

Ms. Murphy has an income of €270 per week, savings of €56,000 and a house worth €250,000. She decides to apply for financial support under the Nursing Homes Support Scheme. Under the scheme, she will contribute 80% of her income each week towards the cost of care. This equates to **€216 per week** (i.e. 80% of €270).

She will also make a contribution towards her care costs based on her assets, i.e. her savings and her house.

When the asset disregard is applied to Ms. Murphy's savings, only €20,000 remains to be taken into account (i.e. €56,000 - €36,000 = €20,000). The contribution towards her cost of care based on savings will amount to 7.5% of their value per annum or **€28.85 per week** (i.e. €20,000 x 7.5% = €1,500/52 = €28.85).

The portion of the contribution based on assets, i.e. the house, will amount to 7.5% of its value per annum or **€360.58 per week** (i.e. €250,000 x 7.5% = €18,750/52 = €360.58).

This means that Ms. Murphy must contribute €605.43 per week towards her cost of care (€216 + €28.85 + €360.58). The cost of the nursing home is €1,000 per week. The HSE will pay the balance, i.e. €394.57 per week.

However, Ms. Murphy does not have €360.58 per week to pay upfront and does not want to sell her house. She, therefore, applies for and receives the Nursing Home Loan. This means that the HSE will pay the additional €360.58 on top of the €394.57 it is already paying per week and is effectively giving Ms. Murphy a loan of €360.58 every week. The HSE's weekly contribution is now €755.15 (i.e. €394.57 + €360.58 = €755.15).

If Ms. Murphy did not apply for the Nursing Home Loan, she would have to pay the contribution of €360.58 based on her house on a weekly basis during her time in nursing home care.

After three years, Ms. Murphy's house would be discounted from the financial assessment.

Example 3

Mr. Byrne, Married, House, Savings and Rental Property

Mr. Byrne is married. He and his wife have a combined income of €440 per week from their pensions, savings of €12,000, a house worth €300,000 and a rental property worth €150,000 which generates a weekly rental income of €200.

Mr. Byrne decides to apply for financial support under the Nursing Homes Support Scheme. The financial assessment will be based on half of Mr. & Mrs. Byrne's combined income and assets.

Therefore, he will contribute 40% of their combined income each week towards the cost of care. This equates to **€256 per week** (i.e. 40% of €640 which is comprised of their pensions + rental income).

He will also make a contribution towards his care costs based on his assets, i.e. his savings and both properties.

When the asset disregard is applied to Mr. Byrne's savings, they are removed from the assessment entirely.

The portion of the contribution based on his two properties will amount to 3.75% of their value per annum or **€281.25 per week** (i.e. €450,000 - €60,000 (remainder of asset disregard) = €390,000 x 3.75% = €14,625/52 = €281.25).

This means that Mr. Byrne can afford to contribute €537.25 per week towards his cost of care. The cost of the nursing home is €1,000 per week. The HSE will pay the balance, i.e. €462.75 per week.

However, Mr. Byrne does not have €281.25 per week to pay upfront and does not want to sell his house. He, therefore, applies for and receives the Nursing Home Loan. This means that the HSE will pay the additional €281.25 on top of the €462.75 it is already paying per week and is effectively giving Mr. Byrne a loan of €281.25 every week. The HSE's weekly contribution is now €744 (i.e. €281.25 + €462.75 = €744).

If Mr. Byrne did not apply for the Nursing Home Loan, he would have to pay the contribution of €281.25 based on his properties on a weekly basis during his time in nursing home care.

After three years, Mr. Byrne's principal residence would be discounted from the financial assessment. The rental property would continue to be included.

The loan will become repayable on Mr. Byrne's death. However, if Mr. Byrne dies before his wife, she can further defer repayment of the Nursing Home Loan for the duration of her lifetime.