

## What is the Fair Deal Scheme?

The Nursing Homes Support Scheme ('Fair Deal Scheme') is a financial support scheme for people who need long-term nursing home care. Under the scheme, you make a contribution towards the cost of your care and the State will pay the balance. This applies whether the approved nursing home is public, private or voluntary.

## Is the Fair Deal Scheme compulsory?

No. There is no obligation for an individual to apply for the Fair Deal Scheme. The individual and family can choose to pay for nursing home or other care directly. The Fair Deal Scheme provides an option for families to access nursing home care and to share the cost of care with the State.

## How is the person's contribution to care assessed?

Once an application is made, the HSE undertakes both a financial and a care needs assessment. The financial assessment looks at your income and assets in order to work out what your contribution to care (co-payment) will be. The HSE will then pay the balance of your cost of care. For example, if the cost of your care was €1,000 and your weekly contribution was €300, the HSE will pay the weekly balance of €700.

## How is my co-payment for the Fair Deal Scheme calculated?

An individual's co-payment is calculated from:

- 80% of annual income (e.g. pension, SFP payment, rental income etc.); and
- 7.5% of the value of assets per annum, (e.g. savings, investments, the principal private residence (home), farm and other small business assets). **Assets that have been transferred for less than 5 years prior to application for the scheme are included in the financial assessment.** (Similarly, any assets that are transferred at the time or subsequent to the date of application are also counted.)

## Are any of my assets not included in the Financial Assessment?

The first €36,000 of any assets owned by the individual is disregarded (or €72,000 for a couple, where one member of the couple is entering care).

## How are a couple's means calculated?

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.

## What is the '3 year limit' on the principal private residence (home)?

In the case of the person's home, the maximum annual contribution that can be applied to this asset is based on 7.5% of the value of the residence for the first three years of care (i.e. a maximum of 22.5% of the value of the home, regardless of the length of stay or cost of care).

## How are other assets treated?

The 7.5% contribution on assets per annum is implemented as follows:

- Where assets are liquid (e.g. savings, investments), the 7.5% annual charge is payable at the time of receiving care.
- Where your assets include land and property in the State, and you choose not to pay at the time of receiving care, the 7.5% contribution based on such assets may be deferred and subsequently collected from your estate. This is an optional **Nursing Home Loan** element of the scheme. Applicants can choose to pay this contribution at the time of receiving care, resulting in no collection from the estate.

## When does the '3 year limit' apply for farm or other small business assets?

In certain circumstances the '3-year limit' (or cap of 22.5% of chargeable asset value), is applied to the farm or other small business assets. It applies in the following circumstances:

- Where the person has suffered a sudden illness or disability, which causes them to require long-term residential care;

- 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; and
- Where a family successor certifies that he or she will continue the management of the farm or relevant business.

## I transferred my farm six years ago – will this be counted as part of my means?

No. All assets transferred for 5 years or more are excluded from the assessment of means.

## I transferred my farm three years ago – will this be counted as part of my means?

Yes. If you make an application for the Fair Deal Scheme, because your farm has been transferred during the previous 5 years from the date of application, it will be included as part of your means in the overall financial assessment. It will continue to be assessed as part of your means for as long as you remain in care.

However, you/your family have the option of paying your own nursing home/other care costs for two years and applying for the scheme when the 5 years limit for transfer of assets has expired. The farm you have transferred will no longer be considered as part of your means.

## Will I end up paying more than the cost of my care due to having assets?

No. The total amount that you will contribute under the scheme will depend on the length of time that you need nursing home care and the cost of your assessed contribution. Persons in receipt of financial support under the scheme will not be required to pay more than the cost of care in respect of his or her long term residential care services.

## Where can I get further information?

Further information is available through the HSE at <http://www.hse.ie/nhss/>. This provides the contact details and telephone numbers of the Nursing Homes Support Office for your area. Alternatively you can telephone the HSE infoline at 1850 24 1850.

## IFA position on the treatment of productive assets

IFA strongly supports and encourages lifetime transfers of family farms.

However, the potentially high liability on non-residential assets under the Fair Deal Scheme is creating uncertainty and anxiety that the viability of the family farm business will be undermined or lost while meeting the costs of care.

IFA is continuing to look for a cap on the maximum % charge that can be applied to non-residential, productive assets, in all circumstances. This would allow farm families to make the most appropriate decisions in meeting the costs of care.