



Deferred Payment Agreements

For home owners who are moving
into residential care



Deferred Payment Agreements help home owners with very little savings to pay for the costs of their residential care without being forced to sell their home during their lifetime.



The scheme is similar to a loan and you must meet the criteria to be eligible to apply.

A Deferred Payment Agreement is only one way to enable you to pay for residential care.

We recommend you take independent financial and legal advice before making any decision. You may consider visiting www.unbiased.co.uk or www.societyoflaterlifeadvisers.co.uk for more information.

Using your home as security

The Care Act 2014 says a local authority must have 'adequate security' in place when entering into a Deferred Payment Agreement.

With your, or your legal representative's agreement we will secure a legal charge against your property to ensure the money is repaid when it is sold. Your home will still belong to you. The charge will be removed when the debt is paid.

How the scheme works

Using your home as security we will lend you an amount to help you pay the weekly costs of your residential care each week.

The amount we lend you will depend on your income. You can keep up to £144 of income per week. This is called the Disposable Income Allowance (DIA). We will then lend you the difference between your remaining income and the full cost of your residential care.

There is a fee for setting up a Deferred Payment Agreement and we will charge interest on the money we lend you.

When you, or your personal representatives, sell or transfer the ownership of your home you will have to repay the money we have lent you, as well as any interest and charges that have been added.

However, there is no requirement that you should sell or transfer your home during your lifetime. Your personal representatives will be required to sell or transfer your home shortly after you have died.

You may be eligible to apply if:

- You have been assessed by Kirklees Council's adult social care department as requiring residential care, and
- you are responsible for paying the costs of your residential care, and
- you own, or jointly own, your own home but otherwise have less than £23,250 capital and/or savings.

Costs and interest on payments

There is an administration charge for setting up your Deferred Payment Agreement. You can either pay the administration charge when the Deferred Payment Agreement is set up, or we can lend you the money to pay the charge so that you don't need to pay it up front.

We charge interest on the money we lend you on a daily basis from the day you enter into your Deferred Payment Agreement. You have the option each month to either pay the interest that has built up in the previous month or to add it to the loan amount.

The maximum interest rate is fixed by government and may change each year on 1st January and 1st July.

We will send you statements at regular intervals so that you can keep track of the money that you owe us under your Deferred Payment Agreement.

Your responsibilities when entering this agreement

You agree to:

- maintain and insure your home,
- have a responsible person willing and able to ensure that necessary maintenance is carried out on the property to retain its value (you are liable for any such expenses),
- pay any client contribution in a timely and regular manner; if you fail to pay your client contribution on a regular basis the council reserves the right to terminate the agreement,
- seek the council's approval for any changes to existing beneficial interests in the property, for example outstanding mortgages or equity release schemes.

Ending the agreement

You can terminate your Deferred Payment Agreement at any time by simply repaying the money we have lent to you, together with any interest and charges that have been added to the loan amount.

How to apply

Call Client Financial Affairs on **01484 222056**
to arrange an appointment or have a chat
with one of our visiting officers.

More information

www.kirklees.gov.uk/DeferredPayments