

## FINANCIAL ASSESSMENT METHODOLOGY

### Income Included in the Financial Assessment

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State Retirement Pension  
Occupational Pension  
Guarantee Credit (Pension Credit)  
Attendance Allowance  
Disability Living Allowance Care Component  
War Disability Pension (first £10 per week disregarded)  
War Widows Pension (first £10 per week disregarded)

#### Income Excluded

Earnings  
Working Tax Credit  
Savings Credit (Pension Credit)  
Disability Living Allowance Mobility Component  
War Widows Supplementary Pension

### Allowances Given in the Financial Assessment

#### Personal Allowances

Basic Income Support/Pension Credit plus 25% - figures vary depending on the benefits being received, but the minimum weekly amounts for each age group for 2009/10 are:

Aged 60 or over	£162.50
Aged 25 to 59	£80.38
Aged 18 to 24	£63.69

#### Housing Costs

Mortgage/rent payments (less any Housing Benefit received)  
Council Tax (less any Council Tax Benefit received)  
Water rates

#### Disability Related Expenses

Additional heating costs (using regional figures issued by the National Association of Financial Assessment Officers)  
Additional laundry costs (using regional figures issued by the National Association of Financial Assessment Officers)  
Additional dietary costs  
Community alarm costs  
Costs of equipment purchased (converted to a weekly amount)  
Costs of help with domestic tasks or gardening  
Costs of care purchased (if part of a care plan)  
Other costs associated with maintaining independence

### Disposable Income

Total Income (that can be included in the financial assessment)

Less: Personal allowances (for daily living costs e.g. food & energy)  
Housing costs  
Disability related costs

Equals: Disposable income (remaining income available that could be contributed towards services)

## Taking Capital into Account

Capital is taken into account by treating people as having a weekly income on top of other income to represent them utilising their capital to contribute towards their services.

The table in Appendix 4 shows how different amounts of capital are treated. For illustrative purposes the table below shows the amount added to people's weekly income in the financial assessment for various amounts of capital:

Capital Amount	Assumed Weekly Income
£10,000	Nil
£15,000	£3.00
£20,000	£13.00
£25,000	£29.00
£30,000	£49.00
£35,000	£69.00
£40,000	£89.00
£45,000 and over	Payment in full for services at the subsidised rate

**Note:** If the contribution for each of the services someone receives totals less than their assessed contribution, then they will pay the contributions for their services (i.e. the lower of the two amounts)

## Example of Financial Assessment Calculation

	Per Week £	Per Week £	
<u>Income</u>			
Pension Credit	44.00		
Attendance Allowance	47.10		
State Retirement Pension	95.25		
Occupational Pension	30.00		
		216.35	
Weekly amount based on £23,000 capital		21.00	
Total Assumed Income		237.35	
<u>Allowances</u>			
Personal allowance	162.50		
Water rates	5.50		No other housing costs as entitled to full Housing & Council Tax Benefit
Heating allowance	3.20		
Laundry allowance	4.05		
Domestic help	15.00		
Savings Credit	20.40		
Gardening	6.00		
Stair lift	3.90		
Taxis	10.00		
Total Allowances		230.55	
Disposable Income		6.80	Income less allowances
Maximum assessed as payable towards services		6.12	90% of disposable income

