

## 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 2010/11 are:

State pension age or over	£178.38
Aged 25 to state pension age	£ 88.75
Aged 18 to 24	£ 70.31

#### 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 (excluding the value of a person's home) 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. Any capital below £14,250 is ignored.

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	£2.00
£20,000	£12.00
£25,000	£25.00
£30,000	£45.00
£35,000	£66.00
£40,000	£85.00
£46,500 and over	Payment of the full charge for services up to the maximum weekly charge of £210

**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	73.95	
Attendance Allowance	51.85	
State Retirement Pension	99.75	
Occupational Pension	27.20	
		252.75
Weekly amount based on £20,000 capital		12.00
Total Assumed Income		264.75
<u>Allowances</u>		
Personal allowance	178.38	
Water rates	5.50	
Excess fuel (extra heating)	3.20	
Laundry allowance	3.41	
Domestic help	28.00	
Gardening	4.61	
Window cleaning	2.30	
Electric wheelchair	4.80	
Stair lift	5.55	
Taxis	15.00	
Total Allowances		250.75
Disposable Income		14.00
Maximum Assessed Contribution towards services		12.60
		Income less allowances 90% of disposable income