



# Capital and gifting of assets

## Yours savings and assets

- Capital includes property, land, stocks, shares, bonds, savings etc. Some types of capital are not counted in calculating your total amount in the financial assessment for example:
  - Your personal possessions
  - The surrender value of any life insurance or annuity
  - Trust funds that were awarded for personal injury or criminal injuries compensation.
- A capital asset normally belongs to the person in whose name it is held/registered. This is known as legal ownership. If capital is held in joint names your share will usually be the total value divided equally by the number of joint owners.
- Sometimes people 'look after' capital on behalf of someone else. In this case the council will seek proof of for whose benefit the capital is held. This is known as beneficial ownership.
- The upper threshold for local authority support for care and support at home or in permanent care home placement is capital/savings over £23,250. If you have capital/savings above this amount you will not be eligible for financial support from the local authority.
- It is advisable to request a financial assessment to check if your total capital that is included is above the upper threshold. Please see the Council's Charging Policy for further information <https://www.leicestershire.gov.uk/sites/default/files/field/pdf/2022/1/31/lcc-charging-policy-care-act.pdf>
- If you have capital between £14,250 and £23,250 your financial assessment will include 'tariff income' at a rate of £1 per week for every £250 or part of £250 you have.

For example, if you have capital of £16,622 your tariff income will be:

£16,622  
Minus - £14,250  
Equals = £2,372  
Divided by / £250  
Equals = £9.48 which is rounded up to £10.00 per week.

£10 per week is therefore added to your other income to calculate your weekly contribution towards your care.



- If you have capital below £14,250 it will be not counted in your financial assessment.

## Giving away your capital/savings

- If you give away a capital asset or part of it, including property, savings or investments accounts the council may consider that you have done this, so you don't have to pay as much towards the cost of your place in a care home. This is known as deprivation.
- The council will look carefully at the reasons why you no longer have the asset/savings. There may be valid reasons why you no longer have an asset/savings. To decide whether you have deliberately deprived yourself of an asset/savings to reduce your assessed contribution the council must determine:
  - You knew that you needed a care and support service.
  - You knew you might have to contribute toward the cost of your care and support
- In considering these questions the council will take into account all the relevant facts and circumstances including:
  - The timing of the events. Although there is no time limit on how far back the council can look.
  - The date you were assessed as requiring any care and support service.
  - Whether significant sums of money were spent suddenly which were different to previous spending.
  - Whether a gift is consistent with an established pattern of gifting?
- If the council decides that you have deliberately deprived yourself of assets/savings it can be taken into account in the financial assessment. This is known as 'Notional Capital'. As a result, your assessed contribution will be higher for a time.
- Alternatively, the council may require the person(s) who now has the asset/savings to pay the difference between what the assessed charge would have been and the actual charge following the deprivation. This can include action in the County Court. The person(s) receiving the asset/savings will not be liable to pay more than the value of the asset/savings they received.