

Examples of Charging Calculations (Simplified)

Example 1: An older single person receiving basic level benefits:

- State Retirement Pension of £156.20 per week;
- Pension Guarantee Credit element of Pension Credit of £44.85 (To bring income up to the appropriate standard Minimum Income Guarantee amount of £214.35);
- Attendance Allowance (High Rate - £101.75) per week;
- Disability Related Expenses total £7.50 per week.

		Current	Proposed
Allowances	State retirement pension	£156	£156
	Pension Credit	£45	£45
	Basic level of income support	£201	£201
	Minimum Income Guarantee (MIG)	£214	£214
	Allowable DRE	£10	£10
	Total allowances	£224	£224
Income	State retirement pension	£156	£156
	Pension Credit	£45	£45
	Attendance allowance	£68	£102
	Total relevant income	£269	£303
	Actual weekly charge (income minus allowances)	£45	£79

Notes:

1. The individual's basic level of income = £201 per week.
2. The MIG calculation is Government defined to cover normal living expenses and some additional costs. This is currently £214.35 for a single person who has reached State Pension age.
3. DRE expenditure incurred of £7.50 is less than the current minimum allowance of £10. Therefore, the individual receives the minimum allowance of £10 in the financial assessment.
4. The resultant total allowances for the purpose of the financial assessment = £224
5. The individual's Attendance Allowance is disregarded to the lower rate under the current policy (£68.10). Under the proposals, the full amount of their allowance (higher rate) will be included in the financial assessment (£101.75).
6. Subject to the cost of the servicesⁱ that the individual receives, the individual's weekly charge will increase by up to the full amount of £34 (£33.65) in this example.

Example 2: A working age adult over the age of 25 in receipt of:

- Employment & Support - Personal Allowance of £84.80
- Employment & Support – Support Allowance of £44.70
- Enhanced Disability Premium of £19.55
- Disability Living Allowance - Care Component (High Rate - £101.75) per week;
- Disability Related Expenses total £36 per week.

		Current Proposed	
Allowances	Employment and support allowance	£149	£149
	MIG (125% of basic income support)	£186	£186
	Allowable DRE	£36	£36
	Total allowances	£222	£222
Income	Employment and support allowance	£149	£149
	Disability Living Allowance (Care Component)	£68	£102
	Total relevant income	£217	£251
Actual weekly charge (income minus allowances)		£0	£29

Notes:

1. The individual's basic level of income = £149 per week.
2. The MIG calculation is Government defined to cover normal living expenses and some additional costs.
3. The level of qualifying DRE expenditure incurred of £36 is higher than the current minimum standard allowance of £10. Therefore, the individual receives the full disregard of £36 in the financial assessment.
4. The resultant total allowances for the purpose of the financial assessment = £222
5. The individual's Disability Living Allowance is disregarded to the middle rate under the current policy (£68.10). Under the proposals, the full amount of their allowance (higher rate) will be included in the financial assessment (£101.75).
6. Subject to the cost of the services that the individual receives, the service user weekly charge will increase by up to £29 in this example. The proposed change to the DLA allowance would not be enough in itself to increase the service user charge by the full £34, due to their current income being less than their guaranteed income and allowances.

ⁱ Charges levied are never higher than the actual cost of the care provided by the Council