



PAYING FOR CARE
A FAIR DEAL

ENHANCING THE QUALITY
OF LIFE FOR OLDER PEOPLE



Cahercalla
COMMUNITY CARE

A black and white photograph of an elderly woman with short, curly hair and glasses, smiling warmly. The image is partially obscured by a dark overlay on the right side.

The Fair Deal is designed to make residential nursing home care accessible, affordable, and anxiety-free.

What is Fair Deal?

The Nursing Homes Support Scheme ('Fair Deal') is a scheme of financial support for people who need long-term nursing home care. Under the Nursing Homes Support Scheme, you will make a contribution towards the cost of your care, and the state will pay the balance.

There are important safeguards built in to the scheme which are worth noting.

- You will keep a personal allowance of 20% of your income or 20% of the maximum rate of the state pension (non-contributory), whichever is the greater.
- If you have a spouse/partner remaining at home, he/she will be left with 50% of the couple's income or the maximum rate of the state pension (non-contributory), whichever is the greater.
- If both members of a couple enter nursing home care, they each retain at least 20% of their income, or 20% of the maximum rate of the state pension (non-contributory), whichever is the greater.

What is covered under Fair Deal?

The scheme covers bed and board, along with nursing, personal care and laundry.

How long does it take to get approved?

Approval generally takes four to six weeks.

Am I eligible to apply for Fair Deal?

There are two key eligibility criteria:

- You must have lived in the state for at least one year and intend to live here for at least a year.
- You must be assessed as requiring long-term nursing home care.

What is the application process?

1

A Care Needs Assessment

Identifies whether or not you need long-term nursing home care

2

Financial Assessment

Determines your contribution to your care and your corresponding level of financial assistance ('State Support')

3

Application for the Nursing Home Loan (optional)

Completed if you wish to apply for the Nursing Home Loan ('Ancillary State Support').

Applying For Fair Deal

1 A Care Needs Assessment

The Care Needs Assessment will be carried out by appropriate health care professionals, for example, a nurse, appointed by the HSE.

The assessment will include consideration of the following:

- your ability to carry out the activities of daily living, e.g. bathing, shopping, dressing and moving around
- the medical, health and personal social services being provided to you, or available to you, both at the time of the carrying out of the assessment and generally
- the family and community support available to you, and
- your wishes and preferences

The assessment may include a physical examination by a health care professional.

2 Financial Assessment

The Financial Assessment looks at all of your income and assets in order to work out what your contribution to care will be. The HSE will then pay the balance of your cost of care.

You will contribute 80% of your assessable income and 7.5% of the value of any assets per annum, for a maximum of three years - known as a 'three-year cap'. However, the first €36,000 of your savings, or €72,000 (excluding family home) for a couple, will not be counted at all in the financial assessment.

If you are a member of a couple, the assessment will be based on half of the couple's combined income and assets.

The assessment will not take into account the income of other relatives such as your children.

Your Family Home (Principal Residence)

Your home will only be included in the financial assessment for the first three years of your time in care, regardless of the time you spend in nursing home care.

After three years, even if you are still getting long-term nursing home care, you will not pay any further contribution based on the value of your home.

In the case of a couple, the contribution based on the home will be capped at 11.25%, where one member of the couple remains in the home, while the other enters long term nursing home care, ie the 'three year' cap applies.

For Farming and Business Families

From October 2021, family-owned farms and businesses are included in the 'three-year cap' if they meet certain conditions - ie family-owned farms and businesses will no longer be included when calculating nursing home costs, where a family successor commits to working the farm or business for six years.

These changes will allow these businesses and family farms to be passed down to the next generation, rather than becoming unviable if a person remained in a nursing home for a great length of time.

- You must apply to the HSE to appoint your family successor who will commit to running the farm or business for at least 6 years
- Your farm or business must have been actively run by you, your partner or your proposed family successor for at least 3 of the last 5 years
- A charge in favour of the HSE will be placed on the chargeable property of a business or farm

Applying For Fair Deal... continued

You need to apply using the Fair Deal application form if you want your farm or business to be included in the 'three-year cap'.

Your successor must be aged 18 or older and must be either your partner or a relative of yours or of your partner.

3 Application for the Nursing Home Loan (optional)

Where your assets include your home and other land and property in the state, the contribution based on such assets may be deferred by applying for ancillary state support (also known as Nursing Home Loan).

This means that you do not have to sell your home or other land and property in the state during your lifetime. In certain circumstances the repayment of the loan based on your home can be deferred for the lifetime of your spouse/partner.

If approved, the HSE will pay the money to the nursing home on your behalf and it will be collected after your death.

You may choose to apply for this element of the scheme at the date of initial application, or at any stage while resident in the nursing home.

You should take independent legal advice if applying for a Nursing Home Loan.

Income tax relief is available on fees paid for nursing homes.

Tax relief on nursing home fees applies at the highest rate of income tax that you pay (20% or 40%). Tax relief for most other medical expenses is given at the standard tax rate of 20%.

If you are paying the charges for a nursing home you can claim the tax relief, whether you are in the nursing home yourself, or you are paying for another person to be there.

However, you cannot claim tax relief for any expenditure which:

- has been, or will be, reimbursed by another body such as the an insurance company, the Health Service Executive or other body or person
- has been, or will be, the subject of a compensation payment

Example:

John's mother is a private resident of a nursing home and the weekly fee rate is €1,000. John pays income tax at the higher rate of 40%. Where John pays the weekly fee of €1,000 per week he will be entitled to tax relief of €400 per week ($€1,000 \times 40\%$). The net weekly cost of the nursing home is therefore €600 – a saving of €400 per week, or €20,800 per annum.

Tax relief also applies for the weekly contribution paid by residents (or their relatives) who qualify for the Fair Deal scheme. The person paying the weekly contribution is entitled to the tax relief.

Usually you claim the tax relief at the end of the year but in certain circumstances tax relief may be available in the current year through the PAYE system. See Revenue's information leaflet IT 6 Medical Expenses Relief.

For further information on the Fair Deal Scheme and application form, visit the Citizens Information website citizensinformation.ie

Can I get tax relief on medical appliances?

Tax relief at the standard income tax rate of 20% may also be claimed in respect of the costs incurred on the supply, maintenance or repair of appliances where they are used on the advice of a practitioner such as

- Hearing aids
- Orthopaedic bed or chair where the resident is suffering from a specific illness or disability
- Wheelchair or wheelchair lift for a disabled person

Further examples of qualifying appliances are set out in Revenue's information leaflet IT 6 Medical Expenses Relief.

An Information Booklet explaining the scheme is available at www.bit.ly/HSE-FairDeal or you can contact the HSE's National Information Line on 1850 24 1850 from 8am-8pm Monday-Saturday.

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The information contained in this booklet is a general overview on some of the tax reliefs potentially available to residents of nursing homes and their families. It does not constitute tax advice. You should consult with your tax advisor, accountant, or local Revenue office, to confirm your entitlement to tax relief on medical expenses.