



# Deprivation of Assets Advice Leaflet

## 1. Introduction

If Worcestershire County Council assesses you as having eligible care and support needs, you will be financially assessed using a means test to see whether you should make a contribution towards the cost of your care. The Council calculates this contribution using your income, savings and other capital in accordance with the Care Act 2014 Regulations. Your income may include benefits such as Pension Credit, which is administered by the Pension Service, part of the Department for Work and Pensions.

You may want to pass on savings or other capital to children or others during your lifetime, but it can affect your eligibility for local authority assistance with help towards your care and support, it can also affect Pension Credit, the Department for Work and Pensions can advise on this.

## 2. Deliberate deprivation of capital

Transferring an asset out of your name does not necessarily mean that it will not be taken into account in a means test. Worcestershire County Council can, when assessing your eligibility for assistance, look for evidence of deliberate, or intentional, deprivation of capital, this could be for example gifting money, transferring property or other assets. Deliberate deprivation occurs when an individual transfers an asset out of his or her possession to put him or herself in a better position regarding the means test in order to reduce the charge towards his / her care and support.

## 3. What is deprivation of capital?

The term deprivation covers a broad range of ways in which the owner of an asset might transfer it out of his or her possession. For example:

- a lump-sum payment such as a gift or to pay off a debt
- transferring the title deeds of a property to someone else



- putting money into a trust that cannot be revoked
- converting money into another form that has to be disregarded from the means test, e.g. personal possessions, investment bonds with life insurance
- reducing capital through substantial expenditure on items such as expensive holidays or by extravagant living.

Other courses of action, such as selling an asset for less than its true value, may also be seen as deprivation.

## 4. Information we will need

We want to establish the reason for the transfer or disposal, including why it was done when it was. We may want to see receipts or documentary evidence. We will look to see if the transfer or disposal was at a time when care needs were being considered. We will look at what considerations or provisions were in place to meet such needs. We will also consider if 'gifts' were made historically and regularly.

## 5. What happens next?

Once we have gathered all the information, we will give full consideration to the facts and where necessary would seek advice from the Council's Legal Department. Once a decision has been made, a financial assessment will be completed and you will be notified in writing with the outcome of the assessment.

## 6. What happens if it is decided that deliberate deprivation has occurred?

If you are found to have deliberately deprived yourself of capital you can be treated as having 'notional capital' to the value of the capital you disposed of for the purpose of the means test. If the notional capital added to your actual capital comes to more than £23,250, the Council may assess you as being able to meet the full cost of your care and support, even though your actual capital is less than the upper limit.



Having included notional capital in your finances, the Council will work out if or when you may be eligible for help towards the cost of your care.

## **7. Things to consider**

Unlike other rules, such as Income Tax, Capital gains or Inheritance tax, there is no limit to how far back the Council can consider possible deprivation. Similarly, tax rules surrounding gifting does not apply.

## **8. Disputing a decision**

You will be notified of the outcome of your financial assessment, and if you disagree with this decision, you have the right to an appeal, this letter will give you details of how to make an appeal.

## **9. What if I have a complaint?**

For more information please see the Worcestershire County Council's Adult Social Care complaints procedure. This is available through the Worcestershire HUB or through contacting the Consumer relations officer (01905 766365) or by visiting [www.worcestershire.gov.uk/cms/consumer-relations.aspx](http://www.worcestershire.gov.uk/cms/consumer-relations.aspx) and using the online form.

## **10. Useful Information**

For information about Health and Social Care services please telephone the Contact Centre on:

Tel: 0845 607 2000, or write to:

Social Care,  
PO Box 585,  
Worcester,  
WR4 4AD.

Fax: 01905 768056

Text: 07939 572850

Email: [SocialCare@worcestershire.gov.uk](mailto:SocialCare@worcestershire.gov.uk)



**worcestershire**  
county council

The Care Contributions Assessment Team  
County Hall  
Spetchley Road  
Worcester  
WR5 2NP  
Tel: 01905 765761  
Email: [CCAAdmin@worcestershire.gov.uk](mailto:CCAAdmin@worcestershire.gov.uk)

Consumer Relations Team  
County Hall,  
Spetchley Road,  
Worcester  
WR5 2NP  
Tel: 01905 766365 or 766368  
Fax: 01905 766367  
Email: [BStockwell@worcestershire.gov.uk](mailto:BStockwell@worcestershire.gov.uk)