

## Examples of Co-Payment under the Nursing Homes Support Scheme JULY 2009

*Please note that these examples are for illustrative purposes only  
and are not intended as a definitive guide to the  
Nursing Homes Support Scheme Act 2009*

**NOTES:**

- i. The cost of nursing home care varies from place to place. For simplicity and illustrative purposes, the following examples are all based on a bed price of €1,000 per week.
- ii. In the case of couples, the financial assessment is based on half of their combined income and assets, i.e. 80% of half the combined assessable income OR 40% of the combined income and 5% of half the value of the assets OR 2.5% of the combined assets. In addition, the asset disregard increases to €72,000.

**1. Mr. Jones, Single, No Assets**

Mr. Jones lives in a local authority house. His sole income is the State Pension (Non-Contributory), i.e. €219 per week. He owns no assets. Having been assessed by the HSE as needing nursing home care, he enters a private nursing home. Under the new scheme, as a new entrant to a nursing home, he will pay a maximum of 80% of his income, i.e. €175.20 per week towards his cost of care. The HSE will pay the balance of the cost, in this case €824.80.

	Details	€	Notes
	Cost of Nursing Home	1000	
1.1	Assessable Income	219	
1.2	80% of Assessable Income	175.20	
2.1	Cash Assets	-	
2.2	Less Asset Disregard of €36,000	-	
2.3	5% of Cash Assets	-	
2.4	Divided by 52 to get weekly amount	-	
3.1	Weekly Co-payment (1.2 + 2.4)	175.20	This will apply for the duration of Mr. Jones' time in nursing home care
4.1	Relevant Assets (e.g. Principal Residence)	-	
4.2	Less Asset Disregard of €36,000 (if not already used in 2.2)	-	
4.3	5% of Relevant Assets	-	
4.4	Divided by 52 to get weekly amount	-	
5.1	Balance of State Support	824.80	This amount is paid by the State and is not recouped

## 2. Mr. Smith, Single, House

Mr. Smith lives in his own house. His sole income is €250 per week. His house is valued at €250,000 and he has no other assets. Having being assessed by the HSE as needing nursing home care, Mr. Smith enters a private nursing home. Under the new scheme, Mr. Smith will pay €200 per week towards his cost of care. The HSE will pay the balance of the cost, in this case €800.

A deferred contribution of €205.77 per week, for a maximum of three years, is payable from his estate after his death.

	Details	€	Notes
	Cost of Nursing Home	1000	
1.1	Assessable Income	250	
1.2	80% of Assessable Income	200	
2.1	Cash Assets	-	
2.2	Less Asset Disregard of €36,000	-	
2.3	5% of Cash Assets	-	
2.4	Divided by 52 to get weekly amount	-	
3.1	Weekly Co-payment (1.2 + 2.4)	200	This will apply for the duration of Mr. Smith's time in nursing home care
4.1	Relevant Assets (e.g. Principal Residence)	250,000	
4.2	Less Asset Disregard of €36,000 (if not already used in 2.2)	214,000	
4.3	5% of Relevant Assets	10,700	
4.4	Divided by 52 to get weekly amount	205.77	This amount is paid by the HSE in the first instance and is repaid to the State upon settlement of Mr. Smith's estate
5.1	Balance of State Support	594.23	This amount is paid by the State and is not recouped

If Mr. Smith is still in nursing home care after three years, the principal residence would be discounted from the financial assessment. As a result the payment at 4.4 would reduce to €0 and the State's payment at 5.1 would increase to €800.

### 3. Ms. Murphy, Single, House and Savings

Ms. Murphy lives in her own house which is valued at €400,000. She has a pension of €270 and savings of €56,000. Having being assessed by the HSE as needing nursing home care, Ms. Murphy enters a private nursing home. Under the new scheme, Ms. Murphy will pay €235.23 per week towards her cost of care. The HSE will pay the balance of the cost, in this case €764.77.

A deferred contribution of €384.62 per week, for a maximum of three years, is payable from the estate after her death.

	Details	€	Notes
	Cost of Nursing Home	1000	
1.1	Assessable Income	270	
1.2	80% of Assessable Income	216	
2.1	Cash Assets	56,000	
2.2	Less Asset Disregard of €36,000	20,000	
2.3	5% of Cash Assets	1,000	
2.4	Divided by 52 to get weekly amount	19.23	
3.1	Weekly Co-payment (1.2 + 2.4)	235.23	This will apply for the duration of Ms. Murphy's time in nursing home care
4.1	Relevant Assets (e.g. Principal Residence)	400,000	
4.2	Less Asset Disregard of €36,000 (if not already used in 2.2)	-	
4.3	5% of Relevant Assets	20,000	
4.4	Divided by 52 to get weekly amount	384.62	This amount is paid by the HSE in the first instance and is repaid to the State upon settlement of Ms. Murphy's estate
5.1	Balance of State Support	380.15	This amount is paid by the State and is not recouped

If Ms. Murphy is still in nursing home care after three years, the principal residence would be discounted from the financial assessment. As a result the payment at 4.4 would reduce to €0 and the State's payment at 5.1 would increase to €764.77.

#### 4. Ms. Kelly, Single, House

Ms. Kelly was in a private nursing home for two years prior to the commencement of the new scheme and was in receipt of subvention. She is in receipt of the State Pension (Non-Contributory) and has a house worth €350,000. Having being assessed by the HSE as needing nursing home care, Ms. Kelly enters a private nursing home. Under the new scheme, Ms. Kelly will pay €175.20 per week towards her cost of care. The HSE will pay the balance of the cost, in this case €824.80.

A deferred contribution of €301.92 per week, **for a maximum of one year**, is payable from the estate after her death. This is because an income had already been imputed from her house for the two years that she was in receipt of subvention.

	Details	€	Notes
	Cost of Nursing Home	1000	
1.1	Assessable Income	219	
1.2	80% of Assessable Income	175.20	
2.1	Cash Assets	-	
2.2	Less Asset Disregard of €36,000	-	
2.3	5% of Cash Assets	-	
2.4	Divided by 52 to get weekly amount	-	
3.1	Weekly Co-payment (1.2 + 2.4)	175.20	This will apply for the duration of Ms. Kelly's time in nursing home care
4.1	Relevant Assets (e.g. Principal Residence)	350,000	This will only be taken into account for one yr because an income had already been imputed from the house for the two yrs that Ms. Kelly was in receipt of subvention
4.2	Less Asset Disregard of €36,000 (if not already used in 2.2)	314,000	
4.3	5% of Relevant Assets	15,700	
4.4	Divided by 52 to get weekly amount	301.92	This amount is paid by the HSE in the first instance and is repaid to the State upon settlement of Ms. Kelly's estate
5.1	Balance of State Support	522.88	This amount is paid by the State and is not recouped

If Ms. Kelly is still in nursing home care after one year, the principal residence would be discounted from the financial assessment. As a result the payment at 4.4 would reduce to €0 and the State's payment at 5.1 would increase to €824.80.

## 5. Mr. Walsh, Married, No Assets

Mr. Walsh lives with his wife in a local authority house. Mr. & Mrs. Walsh's weekly income is €363.70. This is made up of the maximum rate of the State Pension (Non-Contributory) plus an allowance for a qualified adult. Having being assessed as needing nursing home care, Mr. Walsh enters a private nursing home.

Under the new scheme, Mr. Walsh will pay €100.90 per week towards the cost of his care. The scheme provides that anyone entering a nursing home must retain at least 20% of the State pension (Non-Contributory), i.e. €43.80, for personal expenses. It also provides that a person's partner/spouse who remains in the home must not be left with less than the maximum rate of the State Pension (Non-Contributory), i.e. €219. This means that €262.80 of the couple's weekly income must be retained for their own use leaving a maximum of €100.90 that they can contribute towards Mr. Walsh's cost of care. The HSE will pay the balance of the cost, in this case €899.10 per week

	Details	€	Notes
	Cost of Nursing Home	1000	
1.1	Assessable Income	363.70	
1.2	40% of Assessable Income	145.48	
		100.90	
2.1	Cash Assets	-	
2.2	Less Asset Disregard of €72,000	-	
2.3	2.5% of Cash Assets	-	
2.4	Divided by 52 to get weekly amount	-	
3.1	Weekly Co-payment (1.2 + 2.4)	100.90	This will apply for the duration of Mr. Walsh's time in nursing home care
4.1	Relevant Assets (e.g. Principal Residence)	-	
4.2	Less Asset Disregard of €72,000 (if not already used in 2.2)	-	
4.3	2.5% of Relevant Assets	-	
4.4	Divided by 52 to get weekly amount	-	
5.1	Balance of State Support	899.10	This amount is paid by the State and is not recouped

## 6. Ms. O'Connor, Co-habiting with her partner, House

Ms. O'Connor lives with her partner in their house. She now needs full-time nursing home care. Both have pensions of €220 each. Their house is valued at €600,000. Having being assessed as needing nursing home care, Ms. O'Connor enters a private nursing home. Under the new scheme, Ms. O'Connor will pay €176 per week towards her cost of care. The HSE will pay the balance of the cost, in this case €824.

A deferred contribution of €253.85 per week, for a maximum of three years, is payable from the estate after the death of both Ms O'Connor and her partner.

	Details	€	Notes
	Cost of Nursing Home	1000	
1.1	Assessable Income	440	
1.2	40% of Assessable Income	176	
2.1	Cash Assets	-	
2.2	Less Asset Disregard of €72,000	-	
2.3	2.5% of Cash Assets	-	
2.4	Divided by 52 to get weekly amount	-	
3.1	Weekly Co-payment (1.2 + 2.4)	176	This will apply for the duration of Ms. O'Connor's time in nursing home care
4.1	Relevant Assets (e.g. Principal Residence)	600,000	
4.2	Less Asset Disregard of €72,000 (if not already used in 2.2)	528,000	
4.3	2.5% of Relevant Assets	13,200	
4.4	Divided by 52 to get weekly amount	253.85	This amount is paid by the HSE in the first instance and is repaid to the State upon settlement of Ms O'Connor's estate
5.1	Balance of State Support	570.15	This amount is paid by the State and is not recouped

If Ms. O'Connor is still in nursing home care after three years, the principal residence would be discounted from the financial assessment. As a result the payment at 4.4 would reduce to €0 and the State's payment at 5.1 would increase to €824.

## 7. Mr. & Mrs. Casey, Married, House

Mr. Casey has been in a private nursing home for one year prior to the commencement of the new scheme and was in receipt of subvention. Mrs. Casey has now been assessed as needing nursing home care and enters the same nursing home. Both Mr. & Mrs. Casey have pensions of €220. Their house is valued at €500,000. Under the new scheme, Mr. & Mrs. Casey will pay €176 each towards their cost of care. The HSE will pay the balance of the cost for each of them, i.e. €824 each.

A deferred contribution of €205.77 per week, **for a maximum of two years**, is payable in respect of Mr. Casey. This is because Mr. Casey had already been in nursing home care for a year. A deferred charge of €205.77 per week, **for a maximum of three years**, is payable from the estate in respect of Mrs. Casey. The full amount will only fall due for repayment after the deaths of both Mr. & Mrs. Casey.

	Details	€	Notes
	Cost of Nursing Home (€1000 each)	2000	
1.1	Assessable Income	440	
1.2	80% of Assessable Income (40% each)	352	
2.1	Cash Assets	-	
2.2	Less Asset Disregard of €72,000	-	
2.3	5% of Cash Assets	-	
2.4	Divided by 52 to get weekly amount	-	
3.1	Weekly Co-payment (1.2 + 2.4)	352	This will apply for the duration of Mr. & Mrs. Casey's time in nursing home care
4.1	Relevant Assets (e.g. Principal Residence)	500,000	Mr Casey's share of the principal residence will be discounted after 2 yrs.
4.2	Less Asset Disregard of €72,000 (if not already used in 2.2)	428,000	
4.3	5% of Relevant Assets (2.5% each)	21,400	
4.4	Divided by 52 to get weekly amount	411.53	This amount is paid by the HSE in the first instance and is repaid to the State upon settlement of Mr. & Mrs. Casey's estate
5.1	Balance of State Support	1236.47	This amount is paid by the State and is not recouped

After two years Mr. Casey's half of the principal residence would be discounted from the financial assessment. This would result in the payment at 4.4 reducing to €205.77 and the State's payment at 5.1 increasing to €1442.24 in year three. In year four, the payment at 4.4 would reduce to €0 and the State's payment at 5.1 would increase to €1648.

### 8. Mr. Byrne, Married, House, Savings and Rental Property

Mr. Byrne lives with his wife in their house. They have a combined weekly income of €440. Their house is valued at €300,000 and they have a rental property valued at €300,000 from which they receive an income of €800 per week. They also have savings of €12,000. Having being assessed by the HSE as needing nursing home care, Mr. Byrne enters a private nursing home. Under the new scheme, Mr. Byrne will pay €496 per week towards his cost of care. The HSE will pay the balance of the cost, in this case €504.

A deferred contribution of €259.62, for a maximum of three years, is payable from the estate after the death of both Mr & Mrs Byrne. While, the contribution based on the family home will cease after three years, the contribution based on the rental property will continue to apply for Mr. Byrne's duration in care.

	Details	€	Notes
	Cost of Nursing Home	1000	
1.1	Assessable Income	1240	
1.2	40% of Assessable Income	496	
2.1	Cash Assets	12,000	
2.2	Less Asset Disregard of €72,000	-	
2.3	2.5% of Cash Assets	-	
2.4	Divided by 52 to get weekly amount	-	
3.1	Weekly Co-payment (1.2 + 2.4)	496	This will apply for the duration of Mr. Byrne's time in nursing home care
4.1	Relevant Assets (e.g. Principal Residence)	600,000	The amount relating to the principal residence will be discounted after 3 yrs
4.2	Less Asset Disregard of €72,000 (if not already used in 2.2)	540,000	€60,000 asset disregard applied here, i.e. the balance of what's left after applying it at 2.2
4.3	2.5% of Relevant Assets	13,500	
4.4	Divided by 52 to get weekly amount	259.62	This amount is paid by the HSE in the first instance and is repaid to the State upon settlement of Mr. Byrne's estate.
5.1	Balance of State Support	244.38	This amount is paid by the State and is not recouped

If Mr. Byrne is still in nursing home care after three years, the principal residence would be discounted from the financial assessment. However, the rental property would continue to be included in the assessment. As a result the payment at 4.4 would reduce to €115.38 and the State's payment at 5.1 would increase to €388.62.

### 9. Mr. Kavanagh, Widowed, Farmer

Mr. Kavanagh is a farmer with a weekly income of €240. He has a house valued at €200,000. However, six years ago he transferred ownership of the farm, worth €1 million, to his son. Having being assessed by the HSE as needing nursing home care, Mr. Kavanagh enters a private nursing home.

The value of the farm is not taken into account during the financial assessment because it has been transferred more than five years ago.

Under the new scheme, Mr. Kavanagh will contribute 80% of his income, i.e. €192 per week, towards the cost of his care. The HSE will pay balance of cost, in this case €808.

A deferred contribution of €157.69 per week, for a maximum of three years, is payable from the estate after his death.

	Details	€	Notes
	Cost of Nursing Home	1000	
1.1	Assessable Income	240	
1.2	80% of Assessable Income	192	
2.1	Cash Assets	-	
2.2	Less Asset Disregard of €36,000	-	
2.3	5% of Cash Assets	-	
2.4	Divided by 52 to get weekly amount	-	
3.1	Weekly Co-payment (1.2 + 2.4)	192	This will apply for the duration of Mr. Kavanagh's time in nursing home care
4.1	Relevant Assets (e.g. Principal Residence & farm)	200,000	The farm is not taken into account as it was transferred more than five years ago.
4.2	Less Asset Disregard of €36,000 (if not already used in 2.2)	164,000	
4.3	5% of Relevant Assets	8,200	
4.4	Divided by 52 to get weekly amount	157.69	This amount is paid by the HSE in the first instance and is repaid to the State upon settlement of Mr. Kavanagh's estate.
5.1	Balance of State Support	650.31	This amount is paid by the State and is not recouped

If Mr. Kavanagh is still in nursing home care after three years, the principal residence would be discounted from the financial assessment. As a result the payment at 4.4 would reduce to €0 and the State's payment at 5.1 would increase to €808.

## 10. Mr. Lynch, Single, Farmer

Mr. Lynch is a farmer with a weekly income of €235. He has a house valued at €200,000 and a farm valued at €1 million. Mr. Lynch becomes very ill suddenly and, having being assessed by the HSE as needing nursing home care, enters a private nursing home.

Under the new scheme, Mr. Lynch will contribute 80% of his income, i.e. €188 per week, towards the cost of his care. The HSE will pay balance of cost, in this case €812.

A deferred contribution of €812 per week, for a maximum of three years, is payable from the estate after the death of Mr. Lynch. After three years the contribution based on the house and farm will cease. This is because Mr. Lynch suffered a sudden illness and did not have an opportunity to put appropriate succession arrangements in place.

If Mr. Lynch were to spend just three years in care, the total care costs over that time amount to €156,000 (€52,000 per annum). Mr. Lynch's weekly contribution from his income would amount to €29,328 over the three years. His deferred contribution over the three years would amount to €126,672. This is considerably less than the 5% of his assets per annum because no individual may pay more than the cost of care.

After three years, the payment at 4.4 would reduce to €0 and the State's payment at 5.1 would increase to €812.

	Details	€	Notes
	Cost of Nursing Home	1000	
1.1	Assessable Income	235	
1.2	80% of Assessable Income	188	
2.1	Cash Assets	-	
2.2	Less Asset Disregard of €36,000	-	
2.3	5% of Cash Assets	-	
2.4	Divided by 52 to get weekly amount	-	
3.1	Weekly Co-payment (1.2 + 2.4)	188	This will apply for the duration of Mr. Lynch's time in nursing home care
4.1	Relevant Assets (e.g. Principal Residence & farm)	1,200,000	This will reduce to €1m in Year 4 after the principal residence is discounted
4.2	Less Asset Disregard of €36,000 (if not already used in 2.2)	1,164,000	
4.3	5% of Relevant Assets	58,200	
4.4	Divided by 52 to get weekly amount	<del>1119.23</del> 812	This amount is paid by the HSE in the first instance and is repaid to the State upon settlement of Mr. Lynch's estate.  Given that 3.1 + 4.4 total €1307.23, which exceeds the weekly cost of care, the figure at 4.4 would be reduced to €812.
5.1	Balance of State Support	-	-