

Making sure son gets a fair deal with inheritance

Q. I am an elderly lady and I want to make my will. I want to leave my house and small land holding to one of my children. But I worry that I will need to go into a nursing home. My only income is rent from the farm and my pension. I would not have the cash to cover the full cost of a nursing home so I assume the house and land would have to be sold to pay for it. In that event, my son would inherit nothing. A friend mentioned the Fair Deal Scheme. What is this?

A. The Fair Deal nursing home support scheme provides financial assistance to people in need of long-term nursing home care.

It does not cover short-term care such as respite, convalescent care or day care.

The Fair Deal Scheme replaces the old subvention scheme. In short, the State will pay the shortfall between what you can afford to pay and the actual cost of nursing home care. This applies whether the nursing home is public, private or voluntary. Any person of any age who needs nursing home care can apply for the scheme.

In order to assess how much you can afford to contribute, you will need to undergo a financial assessment.

This will examine 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.

For example, if the cost of your care was €1,000 and your weekly contribution was €300, the HSE will pay the weekly balance of €700.

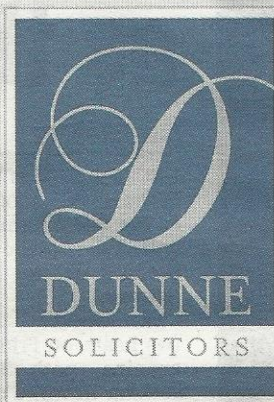
The financial assessment will look at all of your income and assets. Income will include your pension income and your rental income. It also includes any income which you have deprived yourself of in the five years leading up to your application. The assessment will not take into account the income of other relatives such as your

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sons or daughters.

Having looked at your income and assets, the financial assessment will work out your contribution to care. You will contribute 80% of your assessable income and 7.5% of

the value of any assets per annum. (5% if the application was made before 25 July 2013).

If you have already been in a nursing home for three years when you apply for the

scheme, then you do not pay the 7.5% on your principal residence.

However, the first €36,000 of your assets, or €72,000 for a couple, will be exempt from the assessment.

Where your assets include land and property in the State, the 7.5% contribution based on such assets may be deferred. This means that the HSE will pay the money to the nursing home on your behalf and it will be collected after your death.

This benefit, known as the nursing home loan, is optional, aimed at ensuring that you don't have to sell assets such as your home and land during their lifetime. It can be repaid at any time but will ultimately fall due for repayment after your death.

As well as this, the applicant's home will only be included in the financial assessment for the first three years of their time in 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 principal residence. This 'three-year cap' applies regardless of whether you choose to opt for the Nursing Home Loan or not.

You can apply through the HSE Nursing Homes Support Office, Floor 1, Áras Sláinte, Wilton Road, Cork. Tel: 021 4923536. You can also contact the HSE Infoline on 1850 24 1850, Monday to Saturday 8am - 8pm for more information on the Scheme.

If you have any queries regarding this article, please feel free to call me in confidence on (086) 1617418 or email me at jacquelyn@dunnesolicitors.ie.

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