

Examples of Charging Calculations (Simplified)

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

- State Retirement Pension of £122.30 per week;
- Pension Guarantee Credit element of Pension Credit of £44.95 (To bring income up to the appropriate standard Minimum Income Guarantee amount of £167.25);
- Attendance Allowance (High Rate - £89.15) per week;
- Disability Related Expenses total £7.50 per week.

		Current Proposed	
Allowances	State retirement pension	£122	£122
	Pension Credit	£45	£45
	Basic level of income support	£167	£167
	Minimum Income Guarantee (MIG)	£199	£199
	Allowable DRE	£10	£10
	Total allowances	£209	£209
Income	State retirement pension	£122	£122
	Pension Credit	£45	£45
	Attendance allowance	£60	£89
	Total relevant income	£227	£256
		Actual weekly charge (income minus allowances)	£18

Notes:

1. The individual's basic level of income = £167 per week.
2. The MIG calculation is Government defined to cover normal living expenses and some additional costs.
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 = £209
5. The individual's Attendance Allowance is disregarded to the lower rate under the current policy (£59.70). Under the proposals, the full amount of their allowance (higher rate) will be included in the financial assessment (£89.15).
6. Subject to the cost of the services that the individual receives, the service user weekly charge will increase by up to the full amount of £29 (£29.45) in this example.

Example 2: A working age adult in receipt of:

- Employment & Support - Personal Allowance of £73.10
- Employment & Support – Support Allowance of £38.55
- Enhanced Disability Premium of £16.80
- Disability Living Allowance - Care Component (High Rate - £89.15) per week;
- Disability Related Expenses total £31 per week.

		Current Proposed	
Allowances	Employment and support allowance	£128	£128
	MIG (125% of basic income support)	£160	£160
	Allowable DRE	£31	£31
	Total allowances	£191	£191
Income	Employment and support allowance	£128	£128
	Disability Living Allowance (Care Component)	£60	£89
	Total relevant income	£188	£217
Actual weekly charge (income minus allowances)		£0	£26

Notes:

1. The individual's basic level of income = £128 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 £31 is higher than the current minimum standard allowance of £10. Therefore, the individual receives the full disregard of £31 in the financial assessment.
4. The resultant total allowances for the purpose of the financial assessment = £191
5. The individual's Disability Living Allowance is disregarded to the middle rate under the current policy (£59.70). Under the proposals, the full amount of their allowance (higher rate) will be included in the financial assessment (£89.15).
6. Subject to the cost of the services that the individual receives, the service user weekly charge will increase by up to £26 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 £29, due to their current income being less than their guaranteed income and allowances.