

What is a Deferred Payment Agreement?

What you need to know about a Deferred Payment Agreement (DPA)

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A Deferred Payment Agreement (DPA) allows you to use the value of your home to fund residential care. It is essentially a loan from the council, who will pay an agreed amount towards your residential care fees. This must be repaid by you or by someone on your behalf, either when you sell your house or within 90 days of your passing. Only you or a person with Lasting Power of Attorney may apply on your behalf.

What are the eligibility criteria?

Eligibility is decided on a case-by-case basis, but you will usually need to meet the following criteria:

- You are living or going to live in a care home or supported living accommodation
- You have less than £23,250 in assets (not including the value of your home)
- You own or have part ownership of a property (which is not occupied by a spouse or dependent relative)

If a partner or dependent relative lives in the house then the value of the property may be disregarded, meaning a Deferred Payment Agreement will not be needed.

How much can be deferred?

How much can be deferred depends on the value of the home. This amount will be agreed at your financial needs assessment. Buckinghamshire Council also recommends that you get independent financial advice before entering into an agreement.

Are there any additional costs?

Buckinghamshire Council does not make a profit from a Deferred Payment Agreement.

However, there is an administrative fee to cover the costs of setting up a Deferred Payment Agreement – £640 for 2020-2021, with an annual maintenance charge of £95. Buckinghamshire Council can also charge interest on the amount owed, with interest continuing to accrue until the loan is repaid.

What are the conditions?

Under the Deferred Payment Agreement, you must not let out the property without prior written consent from Buckinghamshire Council. The agreement will also outline how the property should be maintained and any other conditions and requirements. You should ensure that you have understood the terms and conditions of the agreement before signing.

How do I repay the Deferred Payment Agreement?

The Deferred Payment Agreement can be repaid at any point, or it can last the full length of your stay in a care home and be repaid out of the estate following your passing.

Your house still belongs to you. However, the Deferred Payment Agreement will always need to be repaid. The executor of your estate should arrange this, either through the sale of the property or by another means.

12-week property disregard

When a local authority assesses how much you should contribute towards your care costs, the value of your property might be disregarded for the first 12 weeks in a care home. This is intended to give you some valuable time before making important financial decisions, such as whether to sell your home to pay for staying in a care home.

For example, if you decide to move permanently into a care, and you own your own property, have low income and your savings are below the capital threshold for care funding (£23,250), then the council must ignore the value of your property for the first 12 weeks after you move into the home.

What happens if I sell my home during the 12-week disregard?

In these circumstances, it's likely that your capital will then exceed the capital threshold. You will then become responsible for paying your own care costs from the date your property sells.



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How to contact us


Adult Care Services

To get more information about adult social care services you can:


-  **Go online:** buckinghamshire.gov.uk and click on 'Care for Adults'
-  **Call:** 01296 383204

Are you worried about somebody?



If you or someone you know is at risk of abuse or neglect:

-  **Call:** 0800 137915 (24 hours a day)

If you would like to give us feedback

-  **Go online:** Please complete the online form at buckinghamshire.gov.uk

If you prefer you can:

-  **Call:** 01296 387844
-  **Email:** complimentsandcomplaints@buckinghamshire.gov.uk