**Examples of charging calculations (simplified)**

**Example 1: A person not affected because of high levels of DRE**

In this example, a person’s DRE is more than the current minimum allowance of £20. Therefore, there would be no increase in charge.

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Current** | **Proposed** |
| **Allowances** | State retirement pension | £126 | £126 |
|  | Pension credit | £37 | £37 |
|  | Basic level of income support | £163 | £163 |
|  |  |  |  |
|  | 125% of basic income support | £204 | £204 |
|  | Allowable DRE | £26 | £26 |
|  | **Total allowances** | **£230** | **£230** |
|  |  |  |  |
| **Income** | State retirement pension | £126 | £126 |
|  | Occupational pension | £105 | £105 |
|  | Attendance allowance | £57 | £57 |
|  | **Total relevant income** | **£288** | **£288** |
|  | **Actual weekly charge**  (income minus allowances) | **£58** | **£58** |

**Example 2: A working age adult not currently paying a charge**

In this example, a working age adult is not paying a contribution due to low levels of income. The proposed change to the DRE would not be enough in itself to bring them above the threshold to start having to pay for their care.

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Current** | **Proposed** |
| **Allowances** | Employment and support allowance | £127 | £127 |
|  |  |  |  |
|  | 125% of basic income support | £159 | £159 |
|  | Allowable DRE | £20 | £10 |
|  | **Total allowances** | **£179** | **£169** |
|  |  |  |  |
| **Income** | Employment and support allowance | £127 | £127 |
|  | **Total relevant income** | **£127** | **£127** |
|  | **Actual weekly charge**  (income minus allowances) | **£0** | **£0** |

**Example 3: A person affected in part by the proposals**

In this example, a person’s actual DRE is £16, which is less than the current minimum allowance of £20, but more than the proposed minimum of £10. The allowable DRE in the financial assessment will therefore be £16. The service user charge increases by £4 in this example.

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Current** | **Proposed** |
| **Allowances** | State retirement pension | £126 | £126 |
|  | Pension credit | £37 | £37 |
|  | Basic level of income support | £163 | £163 |
|  |  |  |  |
|  | 125% of basic income support | £204 | £204 |
|  | Allowable DRE | £20 | £16 |
|  | **Total allowances** | **£224** | **£220** |
|  |  |  |  |
| **Income** | State retirement pension | £126 | £126 |
|  | Occupational pension | £105 | £105 |
|  | Attendance allowance | £57 | £57 |
|  | **Total relevant income** | **£288** | **£288** |
|  | **Actual weekly charge**  (income minus allowances) | **£64** | **£68** |

**Example 4: A person affected in full by the proposals for DRE**

In this example, a person’s actual DRE is less than £10, meaning that the council’s minimum DRE allowance would be used in the financial assessment. This would increase their charge by £10.

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Current** | **Proposed** |
| **Allowances** | State retirement pension | £126 | £126 |
|  | Pension credit | £37 | £37 |
|  | Basic level of income support | £163 | £163 |
|  |  |  |  |
|  | 125% of basic income support | £204 | £204 |
|  | Allowable DRE | £20 | £10 |
|  | **Total allowances** | **£224** | **£214** |
|  |  |  |  |
| **Income** | State retirement pension | £126 | £126 |
|  | Occupational pension | £105 | £105 |
|  | Attendance allowance | £57 | £57 |
|  | **Total relevant income** | **£288** | **£288** |
|  | **Actual weekly charge**  (income minus allowances) | **£64** | **£74** |