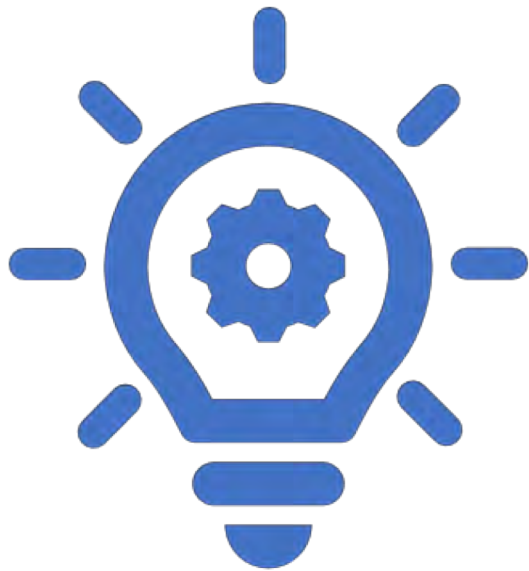


Mission Statement



“To enhance the understanding of Financial Planning as a profession and to represent the views of our members with Regulatory, Governmental, Statutory and Consumer bodies.”



Colm Nolan
Chairman





Each Financial Planning Professional is different

SFPI is evolving to meet the profession's needs.

Board of Directors 2019



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Membership



ORGANISATION OF ALL
CONFERENCES &
SEMINARS/WEBINARS



ONGOING LIAISON WITH
MEMBERS/IDENTIFYING
NEW MEMBERS.



NEW WEBSITE –
IMPROVED
FUNCTIONALITY



DEVisING
MARKETING AND
SOCIAL MEDIA
STRATEGY

The screenshot shows the SFPI website homepage. At the top left is the SFPI logo (Society of Financial Planners Ireland). To the right is a navigation menu with links: Home, About Us, Locate a Financial Planner, More about Financial Planning, Events & Advocacy, Members Login, and Contact Us. Below the navigation is a large banner image of a green seedling growing from soil. Overlaid on the banner is a text box titled "Our Mission" with the text: "To enhance the understanding of Financial Planning as a profession and to represent the views of our members with Regulatory, Governmental, Statutory and Consumer bodies." Below the mission statement are two buttons: "LOCATE A FINANCIAL PLANNER" and "MEMBERS LOGIN". Below the banner is a heading "Welcome to the Society of Financial Planners Ireland" and a sub-heading "The Society of Financial Planners Ireland (SFPI) is a professional body providing members with a local, national and international learning and business".

Representation & Advocacy



PROMOTING OUR
MISSION
STATEMENT



ENHANCING THE
FINANCIAL
PLANNING
PROFESSION



APPOINTEE TO
WRITING GROUP
(ADMA)



INNOVATION
(TAX CREDIT AND
VAT PROPOSALS)



FPSB, FEIFA,
OTHER
PROFESSIONAL
BODIES



MEETINGS -
"ROADSHOWS"



Planning for the Future



2016

2051

Population



Aged 65+



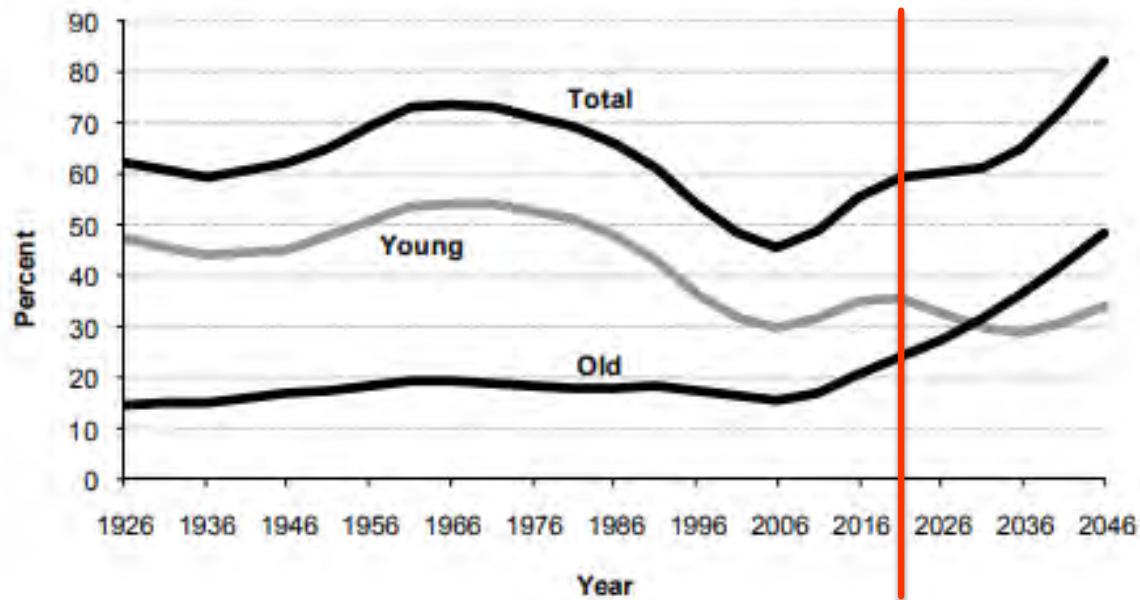
Aged 80+



Ireland's Population Growth

SOURCE CSO

Figure 10 Actual and projected (M3F1) dependency ratios



Source CSO

Increased
Dependency



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

Nursing Homes Support Scheme 2009

**Presented by:-
Patricia McDermott,
Senior Manager NHSS,
Dublin North City & County**

Main Points of Scheme

- Scheme has been in operation since 27th October 2009
- Scheme predominantly for the long term care of Older Persons
- All entrants into long term residential care, both public, private and voluntary will be dealt with in a similar fashion in respect of their care needs and means assessment
- Makes available 2 types of financial support
 - State Support
 - Ancillary State Support (Nursing Home Loan)

Application – 3 Parts

- **Part 1: Care Needs Assessment.**
- **Part 2: State Support.**
- **Part 3: The Nursing Home Loan**
 - (this is termed “Ancillary State support” in the legislation).
 - This section should only be filled out if the applicant wishes to apply for the Nursing Home Loan (optional)

Who completes the application?

- Person who needs care
- Specified Person (where person unable to make own application)
- Care Representative

HSE must be satisfied that the specified person must be acting in the best interests of the person who needs care

Specified Person

Priority goes to:

- The Committee where the person is a Ward of Court,
- Person with valid Power of Attorney
- A Care Representative appointed under the Act for the purposes of the Scheme

Followed by any of the following:

- The person's spouse or partner,
- A relative of the person who is not less than 18 years of age,
- A next friend appointed by a court,
- A legal representative of the person,
- A registered medical practitioner, a registered nurse or registered social worker.

NB – If a person has capacity they MUST sign 5A (application for SS) themselves

Application Process

- Forms widely available in acute, Community settings & HSE Website
- NHSO – receive application & are central point of contact
- Care Needs – NHSS office request from Placement Forum
- NHSS office gather financial information & assess clients contribution
- Client notified of outcome of CNA & Financial Assessment

CARE NEEDS ASSESSMENT (CSAR)

Applicants Care Needs are assessed by suitably qualified staff on abilities to carry out activities of daily living, including-

- Cognitive ability
- Extent of orientation
- Degree of mobility
- Ability to dress unaided
- Ability to feed unaided
- Ability to communicate
- Ability to bathe unaided
- Degree of continence

CARE NEEDS ASSESSMENT cont.

- Availability of family/community support
- Medical, health and personal social services being provided
- Availability of Medical, health & personal social services in area

Placement Forums in each Community Health Organisation

Assessments carried out by Multi disciplinary teams

If it is determined that the applicant does not require long-term care – applicant is informed and application closed

State Support

The amount of State support is calculated as follows:-

Agreed cost of care

less Client weekly assessed contribution

Equals HSE contribution (state support)

Example:

Nursing home agree fee	1,200
------------------------	-------

Assessed weekly contribution	300
------------------------------	-----

HSE Contribution (state support)	900
----------------------------------	-----

Allowable Deductions

The following items are allowable on proof of payment

- Property tax
- Medical card prescription charges €20 per month from 1/3/17
- There is an allowance for Child dependants in full time education i.e.
Weekly child benefit rate €32.30 plus full rate of qualified child €29.80
A total of €62.10
- Private medical expenses the Revenue Med 1 form and the P21 balance statement is submitted.
For the purpose of the NHSS the allowable deduction is the amount of the Med 1 claim for which no Tax relief is allowed.

Mortgages on Principle residence

If there is an outstanding mortgage on the principle residence two financial assessments are completed and the applicant selects the preferred option

1. Allowing the weekly repayment against income in this case the full value of the property is assessed
2. Allowing the remaining mortgage against the value of the property and assessing the full income

An applicant can opt for one or other but not both. Copies of both assessments are provided to assist when making the choice

Assessment of Means schedule 1

Applicant (and partner, if applicable) shall furnish all information requested

Single Person

- 80% income
- 7.5% assets
- €36,000 asset disregard
- Allowable deductions
- Min. 1/5th NCOAP

Couple

- 40% income
- 3.75% assets (half)
- €72,000 disregard
- Allowable deductions
- Person stay at home
Min. NCOAP + 1/5th
NCOAP

Example weekly calculation – Single Person

Weekly Income	354.72 @ 80%	283.78
Cash assets	47,000	
Asset Disregard	36,000	
Assessed amt	11,000 @7.5%	15.87
Property	300,000 @7.5%	432.69
Total Client cont (no Loan)		732.33
Total Client cont (with Loan)		299.65

Example weekly calculation - couple

Weekly Income	502.60 @ 40%	201.04
Cash assets	50,000	
Asset Disregard	72,000	
Assessed amt	0.00	
Property Value	300,000	
Less disregard bal	278,000 @ 3.75%	200.48
Total Client cont (no Loan)		401.52
Total Client cont (with Loan)		201.04

State Support – 3 year Cap

- **3 year cap on Principal private residence (Option to further defer where care loan approved if criteria met)**
- **3 year cap on farms and relevant businesses only where**
 - **The person suffered a sudden illness causing them to need LTC, and**
 - **They or their partner was actively engaged in running farm or business up to the time of sudden illness, and**
 - **A family successor certifies that he or she will continue the management of farm or business**

All other assets will be taken into account as long as the person is in care

The Nursing Home Loan

Nursing Home Loan

- Option to borrow against asset to reduce weekly cost of care (may require care representative)
- 3 year cap of charge for Principal private residence (Option to further defer collection of charge)
- 3 year cap on farms and relevant businesses subject to conditions

What is The Nursing Home Loan?

- Creates financial charge to be collected from estate
- Charging Order placed against assets i.e. Interest in land and property situated within the state
- Optional & Separate application from State Support (part 3 of application form)

Application Process for Nursing Home Loan

- Couple – both must apply, joint liability
- If additional owners, all should be involved
- If applicant or partner do not have capacity will require appointment of a Care Rep. / registration of Power of Attorney / Ward of Court
- Can apply at any stage

opensky

Relevant event (repay Loan) is defined as:

- The death of person receiving care
- Transfer/Sale of any part or interest in a charged asset of any person that requested loan and that the loan relates to that asset
- The adjudication of bankruptcy of the person or their partner
- The HSE decides that information given to it was false or misleading that jeopardises the enforceability of the charge

Further Deferral may be approved on application & subject to circumstances *

** HSE will write to personal rep. outlining charges collectable and options to further defer*

Ancillary State Support S.16

- Loan repayable occurrence of relevant/ deferred relevant event
- Can be repaid at any stage, if desired
- Will be adjusted as per CPI
- HSE may alter amount of loan following financial review

When will further deferral be approved?

- Circumstances of connected person
 - Residence of person
 - Connected person resided 3 yrs immediately preceding application of loan
 - Have no interest in any other residential property
 - Financial circumstances of the person
 - Application for further deferral not later than 3 months after death (6 max)

Collection of Loan S.26

- When a relevant event or a deferred relevant event occurs, the HSE calculates the amount due and gives notice of the amount to the accountable person
- HSE notifies Revenue within 3 months of the event and the amount collectable from the Estate which in effect means that the debt is now due
- The accountable person is the person whom Revenue will pursue to collect the debt,
- The repayable amount will accrue interest until the debt is discharged within specified timeframes (after 12 months)

Appointment of Care Representative S.21

This section applies to persons not of full capacity who seeks loan in relation to taking out a charge on land within the State

Who can apply to be a Care Rep:-

1. Where the person is in a couple, the other member of that couple
2. A parent, child, brother or sister (whole or half blood)
3. Niece or nephew
4. Grandchild
5. Grandparent
6. Aunt or uncle
7. A person other than a person who is the proprietor of a nursing home where the applicant is likely to reside, or, one of the medical practitioners who examined and prepared report of non capacity

Appointment of Care Representative S.21

- **Apply to the Circuit Court in area person ordinarily resident**
- **The Court can appoint a person to be a Care Rep. for both members of the couple**
- **Order of priority**
- **Section does not apply where there is a ward of court, registered enduring power of attorney that has not been revoked**
- **Documents required to make application, Notice of Motion, Affidavit sworn before Commissioner for Oaths or Practising Solicitor & at least 2 medical Reports confirming applicant does not have capacity**
- **Forms available on www.courts.ie (do not need a Solicitor)**

Role of Care Rep

- Make the application for Care Loan
- Consent to creation of charge against property
- Does not permit a Care rep to make any other decision or take any other action on behalf of the person

Appeals

- Appeals may be made to the HSE by the person no later than 40 working days after the notice of the decision was given
- Areas of appeal include:
Outcome of Care needs assessment & financial assessments
- Appeals Officer may confirm the decision of the HSE, revoke the decision and replace it with another appropriate decision or refer the matter back to the HSE to reconsider the matter
- Appeals Officer may give the HSE such directions as they deem appropriate
- Person may further appeal to the High Court on a point of Law

Funding Approval

- The Scheme is budget controlled therefore a National waiting list for funding is in operation
- Date application is determined (i.e. date Care Need & Financial assessment completed) is the date applicant placed on list
- Funding released weekly (numbers depend on budget availability)
- 1 National and 4 Regional placement co-ordinators assigned responsibility for this task
- Funding allocated **STRICTLY** by date of determination

Charges post acute care s.34

- Where a person is determined in an acute setting of no longer requiring acute care, then that person can be charged under the Scheme up to the agreed cost of public care as outlined by the HSE, irrespective of medical card status (currently €1,365pw)
- Charge may be made even if applicant has not applied under the Scheme
- Charge cannot be made where person awaits outcome of care needs assessment

CARE FACILITIES

- The applicant/family select approved Care Facility of choice either public or private (if preferred NH not available alternative (s) must be chosen)
- NTPF agree the cost of care with all approved private Nursing Homes (must be HIQA registered)
- Care Facility must have availability and confirm they can meet the applicants care needs

Services included in Published Cost of care

- Nursing and personal care appropriate to the level of care needs of the person
- Basic aids and appliances necessary to assist a person with activities of daily living
- Bed and board
- Laundry service

Private Nursing Homes non NHSS charges

- The majority of Private Nursing Homes apply additional charges for services not covered by the NHSS
- It is claimed these charges are to cover Activities
- These charges are applied to all NHSS residents regardless of circumstances – even if not availing of the services they claim to cover

Schedule of Assets

- When a person who has been in receipt of State Support dies the next of kin/executor of estate must submit the Inland Revenue Affidavit (Form CA24) Scheduling the deceased assets no later than 3 months before distributing the assets of the estate
- The NHSS office cross check with the assets that were declared with the Schedule to make sure all assets were declared at time of application
- If this reveals undeclared assets it means there was an overpayment of State Support, the a amount is calculated and must be refunded from the estate
- This had been happening on an ad hoc basis and resulted in significant amounts recouped by the HSE
- The HSE has set up a dedicated unit to manage this process. Contact will be made with the next of kin of all deceased clients 60 days after the client dies informing them of their obligations under the NHSS Act.

Clients in payment December 31st

Year	Clients
2015	23,073
2016	23,142
2017	22,949
2018	23,305

In conclusion

- All placements for long term care may only be accessed through this scheme
- Information sources
 - www.dohc.ie and www.hse.ie
 - HSE Information Line - 1850 24 1850

Questions

**A Complete Guide to
the Fair Deal Scheme
Part 2: In Practice**

**Brendan Reilly
26th March 2019**



Today's Purpose:



To enhance the understanding of the Nursing Home Support (Fair Deal) Scheme and application process, particularly the financial elements, among Financial Planning Professionals so that they are better equipped to advise clients on this important issue and on the merits or otherwise of participating in the scheme in advance of any application.



Patricia's Presentation has summarised:

- ▶ **The Care Needs Assessment, which takes account of:**
 - ▶ Physical Abilities,
 - ▶ Cognitive Abilities,
 - ▶ Availability of family and other supports,
- ▶ **State Support, based on:**
 - ▶ Agreed cost of care from relevant care centre/nursing home,
 - ▶ Less Client Contribution after allowable deductions, equals:
 - ▶ HSE Contribution
- ▶ **Ancillary State Support (The Nursing Home Loan):**
 - ▶ Option to borrow against asset to reduce weekly cost of care,
 - ▶ Creates financial charge repayable on death/sale of asset,

We will now examine 3 Case Studies:

- ▶ **John and Marie:**
 - ▶ Strong Income (mixed sources)
 - ▶ Strong Assets (mixed sources)
- ▶ **Paul and Stefanie:**
 - ▶ Strong Income
 - ▶ Average Assets
- ▶ **Frank and Niamh:**
 - ▶ Limited Income
 - ▶ Limited Assets

NB Income tax relief may be available upon Nursing Home fees (net of any NHSS) at the individuals marginal rate of income tax.

Assessment of Means (Income):

▶ Step 1 (Determine actual net Income):

- ▶ Add up net income,
- ▶ Factor in income transferred to others in past 5 years,

▶ Step 2 (Deduct Allowable Expenses):

- ▶ Take account of number of children in full-time education,
- ▶ Assess 2 Options for mortgage (Applicant chooses preferred option) which are:
 - (a) Allow weekly payment against income and include full value in assets, or,
 - (b) Allow value less balance of mortgage in assets and assess full income

▶ Step 3 (Apply Relevant %)

- ▶ 80% of income if Single/Widowed,
- ▶ 40% of Joint Income (**not individual income**) if Married,

Assessment of Means (Assets):

▶ Step 1 (Total all Cash Assets):

- ▶ Add up savings balances, current account balances, investments etc,
- ▶ Factor in assets transferred, gifted or loaned to others in past 5 years,

▶ Step 2 (Take off Excluded Amount):

- ▶ €36,000 if Single/Widowed,
- ▶ €72,000 if Married

▶ Step 3 (Apply Relevant %):

- ▶ 7.5% if Single/Widowed,
- ▶ 3.75% of Joint Cash Assets (**not individual income**) if Married

Assessment of Means (Non-Cash Assets):

▶ Step 1 (Value all Non-Cash Assets):

- ▶ Certificate of Market value from Auctioneer for come, e.g. Property,
- ▶ Specify outstanding loan balances and repayments attaching to same,
- ▶ Include assets gifted or transferred in last 5 years and name beneficiary,

▶ Step 2 (Apply Relevant %):

- ▶ 7.5% if Single/Widowed,
- ▶ 3.75% of Joint Cash Assets (**not individual income**) if Married,

▶ NOTE:

- ▶ 3 Year Cap for inclusion of value of Principal Private Residence,
- ▶ 3 Year Cap now applies for Farms or Businesses in certain circumstances as per Patricia's presentation,
- ▶ All Other Assets Included for as long as person remains in care,

Nursing Home Loan Key Info:

- ▶ All owners of relevant property must apply (preferable),
- ▶ Loan can be applied for and/or repaid at any stage,
- ▶ **Loan repayment Arises on:**
 - ▶ Death of person receiving care,
 - ▶ Transfer or Sale of charged Asset,
 - ▶ Adjudication of bankruptcy of applicant or partner,
 - ▶ Information found to be false or misleading by HSE,
- ▶ **Loan Repayment Deferral**
 - ▶ Can be applied for in certain circumstances, e.g. connected person

Case Study 1 – John and Marie.

▶ Net Incomes

- ▶ €23,988 Contributory Pensions
- ▶ €45,000 Occupational Pensions including ARF withdrawals (all John)
- ▶ €24,000 Rental Income
- ▶ TOTAL: €92,988, Less Allowable €1,600, €91,388 @ 40% = €36,555 (€703 per week)

▶ Cash Assets

- ▶ €30,000 Current Accounts
- ▶ €200,000 Deposits
- ▶ €300,000 Lump Sum Investments/Shares/ARF Balance
- ▶ €150,000 Gifted in Past 5 years
- ▶ TOTAL: €680,000, Less Disregard €72,000, €608,000 @ 3.75% = €22,800 (€439 per week)

Case Study 1 continued.

▶ Non Cash Assets

- ▶ €1,000,000 Principal Private Residence
- ▶ €350,000 Holiday Home
- ▶ €250,000 Transferred to others in past 5 years
- ▶ Art ?
- ▶ TOTAL: €1,600,000 @ 3.75% = €60,000 (€1,154 per week)

▶ Total Cost of Fair Deal to Applicant

- ▶ €2,296 per week
- ▶ **Will fall to €1,575 per week after 3 years if nothing else changes

▶ Actual Private Nursing Home Cost

- ▶ €1,595 per week

Conclusions?

▶ John and Marie:

- ▶ Quite unlikely to apply for scheme from a financial perspective
- ▶ Picture heavily coloured by value of PPR
- ▶ Picture heavily influenced by dissipation of assets

Case Study 2 – Paul and Stefanie.

▶ Net Incomes

- ▶ €0 Contributory Pensions
- ▶ €94,000 2 DB Occupational Pensions
- ▶ €4,000 Other Income
- ▶ TOTAL: €98,000, Less Allowable €980, €97,020 @ 40% = €38,808 (€746 per week)

▶ Cash Assets

- ▶ €15,000 Current Accounts
- ▶ €100,000 Deposits
- ▶ €50,000 Lump Sum Investments/Shares
- ▶ TOTAL: €165,000, Less Disregard €72,000, €93,000 @ 3.75% = €3,488 (€67 per week)

Case Study 2 continued.

▶ Non Cash Assets

- ▶ €400,000 Principal Private Residence
- ▶ €150,000 Land
- ▶ €100,000 Transferred to others in past 5 years (2 sites)
- ▶ TOTAL: €650,000 @ 3.75% = €24,375 (€469 per week)

▶ Total Cost of Fair Deal to Applicant

- ▶ €1,282 per week
- ▶ ** Will fall to €994 per week after 3 years if nothing else changes

▶ Actual Nursing Home Cost

- ▶ €1,450 per week

Conclusions?

▶ Paul and Stefanie:

- ▶ May apply for scheme, as financial picture suggests a benefit,
- ▶ Again heavily influenced by likely dissipation of assets,
- ▶ Nature of underlying Health condition may impact decision,

Case Study 3 – Frank and Niamh.

▶ Net Income

- ▶ €12,700 Contributory Pensions
- ▶ €22,300 Occupational Pensions
- ▶ TOTAL: €35,000, Less Allowable €590, €34,410 @ 40% = €13,764 (€265 per week)

▶ Cash Assets

- ▶ €12,000 Current Accounts
- ▶ €40,000 Lump Sum Investments/Shares
- ▶ TOTAL: €52,000, Less Disregard €72,000, =(€0 per week)

Case Study 3 continued.

▶ Non Cash Assets

- ▶ €250,000 Principal Private Residence
- ▶ Less Disregard Balance of €20,000
- ▶ TOTAL: €230,000 @ 3.75% = €8,625 (€165 per week)

▶ Total Cost of Fair Deal to Applicant

- ▶ €430 per week

▶ Actual Nursing Home Cost

- ▶ €1,490 per week

▶ Actual Net income

- ▶ €673 per week

Conclusions?

- ▶ **Frank and Niamh:**
 - ▶ Very likely to apply for scheme,
 - ▶ Very likely to also apply for Nursing Home Loan,
 - ▶ Remainder income is insufficient to meet daily needs,

What if?

- ▶ **Applicant transfers ownership of PPR after 3 years, when PPR is no longer included in financial assessment:**
 - ▶ If sold, proceeds will increase Cash Assets and therefore be included,
 - ▶ If gifted, it no longer forms part of assessment,
 - ▶ Applicant/Care Representative still needs to inform NHSS so that LPT can be removed as a deductible and Nursing Home loan can be repaid if applicable,

- ▶ **Applicant uses cash assets to upgrade/modernise PPR:**
 - ▶ Cash Assets will reduce and 3 year cap will apply to PPR,
 - ▶ What justification is sought here by HSE, if any?

What if?

- ▶ **Applicant has an ARF/AMRF not a DB pension/annuity:**
 - ▶ Annual withdrawals need to be included as income at Part 3A,
 - ▶ Balance of ARF needs to be included at Part 4A Cash Assets,
 - ▶ Applicant needs to re-apply annually for financial assessment,
- ▶ **Applicant has an uncrystallised pension benefit:**
 - ▶ Will be looked at on a case by case basis
- ▶ **Applicant has re-located overseas for tax reasons:**
 - ▶ Not eligible to apply if non-resident for tax purposes

What if?

- ▶ **A spouse or another Adult Dependent Lives in the House:**
 - ▶ Application for deferral of repayment of Nursing Home Loan can be made,
 - ▶ Repayable amount accrues interest,
- ▶ **Applicant wants to re-apply for financial assessment because an income stream ends, a spouse dies or an asset is disposed of:**
 - ▶ Assessed on a case by case basis so nothing to stop applicant re-applying,
- ▶ **Applicant has rental income from property other than PPR:**
 - ▶ Income included under Part 3A,
 - ▶ Value included under Part 4B,

The Application Form and Requirements:

▶ Part 1A – Applicant's Details

- ▶ Personal Details,
- ▶ Details of person assisting with application,

▶ Part 2 – Application for Care Needs Assessment

- ▶ Completed by Applicant or,
- ▶ Someone on behalf of applicant, e.g. P of A, Care Representative, Spouse,

▶ Part 3A – Details of Income (net weekly income)

- ▶ Including Salaries, Pensions, Rental Income, Dividends, Interest, Farm or Business Income,
- ▶ Must include any income transferred to another person in last 5 years,

▶ Part 3B – Allowable Deductions

- ▶ Rent payments out, Maintenance, Legal levies such as LPT, Education Fees (allowance based),
- ▶ Mortgage (2 options for assessing same),
- ▶ Also includes health expenses (capped at €20 for prescription charges),

The Application Form continued:

- ▶ **Part 4A – Details of Cash Assets**
 - ▶ Savings, Investments, Stocks, Bonds,
 - ▶ Must include monies transferred to another person in last 5 years,
 - ▶ Must include monies loaned to another person in last 5 years,

- ▶ **Part 4B – Details of Non Cash Assets**
 - ▶ Family Home, (note any loan balance and repayment),
 - ▶ Assets transferred to another person in last 5 years,
 - ▶ Property, Farm, Business, Valuable Possessions,

- ▶ **Part 5 – Application Signature**

- ▶ **Part 6A – Nursing Home Loan (Ancillary State Support Application)**
 - ▶ Details of property(ies) for creation of charge,
 - ▶ Consent of Joint Property Owner,



Further
Q&A