Ancillary State Support

Work Guide

Collector-General’s Division

November 2015
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1. Scope
This work guide is for the Collector-General’s Services and Transactions Taxes Unit (STTU) and Payment Accounting and Banking Unit (PAB) staff involved in the collection of liabilities and bringing payments to account in respect of Ancillary State Support.

2. Summary
The following is a summary of the main points covered in this work guide:

2.1 Timeframes

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2.2 Due Dates
Any money owed arising from Ancillary State Support must be repaid as follows:

- If the repayment arises because of the death of the person in care (care recipient) it must be repaid within **12 months** of the date of death. Otherwise interest applies from the date of death.

- If the repayment arises because of the sale or transfer of the care recipient’s property during his/her lifetime, it must be repaid within **6 months** of the date of that sale or transfer. Otherwise interest applies from the date of sale or transfer.

Once payment is made within the above time limits, interest does not apply.

2.3 Revenue’s System

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2.4 File Processing

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3. Overview

The Nursing Homes Support Scheme Act 2009 was signed into law on the 1st July 2009. Section 26 of the Act sets out the roles of Revenue and the HSE in dealing with the collection of monies advanced by way of Ancillary State Support.

The Act provides for a scheme of State support for public and private long-term nursing home care. Where the care recipient’s assets include land and property in the State, the contribution required based on such assets may be deferred and collected from his/her estate. This means that the care recipient does not have to pay this contribution during his/her lifetime. Instead, if approved, the HSE pays the nursing home on behalf of the care recipient and the money is collected after his/her death or the sale/transfer of the property – either of which is called the ‘relevant event’. Effectively a loan is advanced by the State, which can be repaid at any time but ultimately falls due for repayment when the relevant event occurs. The legal term for this nursing home loan is ‘Ancillary State Support’.

This loan element is an optional benefit of the Nursing Homes Support Scheme and a care recipient may choose to apply for it at the date of initial application or at any stage while resident in the nursing home. It aims to render private long-term care affordable and to ensure that nobody has to sell his/her home during his/her lifetime to pay for his/her care.

Section 26 (2)(b) states that Revenue ‘shall act as collection agent for the Executive in respect of monies due to the Executive under this Act in relation to Ancillary State Support’.

Where the Ancillary State Support becomes payable on death, the repayment can be further deferred or postponed in certain cases. This is called ‘further deferral’ and is referred to hereafter as ‘deferral’. The decision on deferral applications is made by the HSE.

Full details on the scheme can be found on the HSE website www.hse.ie.

3.1 Revenue’s Role

Revenue is the collection agent for the HSE in relation to Ancillary State Support as laid down in Nursing Homes Support Scheme (Collection and Recovery of Repayable Amounts) Regulations 2009 - S.I. No. 436 of 2009. There is a Service Level Agreement (SLA) in place between the HSE and the Revenue Commissioners.

The Collector-General’s Division is responsible for the collection of liabilities arising. STTU is the unit within the division with responsibility for the collection of repayable amounts. PAB is the unit with responsibility for bringing payments to account as well as issuing receipts and reporting payments to STTU.

The Act states that ‘Monies received by the Revenue Commissioners under this section shall be paid by the Revenue Commissioners into the Central Fund’. Therefore, no payover of funds collected by Revenue to the HSE is required.
3.2 Revenue’s Systems

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[…]

4. Detailed Description

4.1 File Processing

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[…]

4.2 Case-working

The repayable amount is a debt due and payable out of the estate of the deceased person. Accordingly, for the purposes of recovery of the monies advanced under the scheme, the entirety of the estate of the deceased person is available to meet the debt and Revenue is not limited to recovery from the property on which there is a charge.

Normal debt management case-working procedures apply to Ancillary State Support. The same enforcement options are available i.e. sheriff, solicitor and attachment.

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Distribution of the Estate

The Nursing Homes Support Scheme Act 2009 states:

‘In the event of a contravention of section 27(2) of the Act and the distribution of the assets of the estate without the payment referred to in subsection (2)(b), section 27(4) of the Act provides that you shall be personally liable for that amount, but such liability shall not exceed the gross value of the estate less the funeral and testamentary expenses of the deceased.’

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Property Charge

When applying for Ancillary State Support, the care recipient agrees to a voluntary charge by the HSE on his/her property. Therefore, there is no requirement for Revenue to obtain a further charge on the property. Revenue can proceed with forced sale proceedings on the basis of the HSE charge;
If forced sale is considered then Revenue needs to indicate that these proceedings are being brought pursuant to the Nursing Homes Support Scheme Act 2009 Section 26(8).

**Assets in the Estate**

Late Interest

S.I. No. 436 of 2009 Nursing Homes Support Scheme (Collection and Recovery of Repayable Amounts) Regulations 2009, provides for the charging of interest on late payments. It states:

> ‘the amount of interest to be carried by a repayable amount, or any part of a repayable amount shall be determined by the formula— R x D x 0.0219% where—R is the repayable amount, or any part of that amount, which remains unpaid, and D is the number of days (including part of a day) forming the period of delay’.

If the repayment arises because of the death of the person in care (care recipient) it must be repaid within **12 months** of the date of death. Otherwise interest applies from the date of death.

If the loan is repayable because of the sale or transfer of the care recipient’s property during his/her lifetime, it must be repaid within **6 months** of the date of sale or transfer. Otherwise interest applies from the date of sale or transfer.

**Deferrals**

The repayment of monies can be deferred or postponed in certain cases. These deferrals are granted by the HSE. Deferrals only apply where the relevant event is death of the care recipient.

**Bank Charges**

When the accountable person is making a payment in a foreign currency (e.g. accountable person is resident outside of Ireland), he/she is made aware that any payment should be sufficient to cover all bank charges.
4.3 Daily Tasks

Daily Tasks
Each day STTU checks the database to establish what activities need to be carried out. Firstly, STTU checks the payment data entered on the ‘Valid File’ by PAB and any payments are entered onto the database. Then the database is checked to identify exactly what case-working needs to be carried out or what correspondence needs to issue.

The letters available in the database are as follows:
- Contact Letter
- Reminder Letter
- Second Reminder Letter
- Final Demand
- Interest Charge Letter
Appendix 9 – Correspondence

Contact Letter

Relevant Accountable Person
Park Place
Hatch Street
Dublin 2

Nursing Home Charges in respect of:

Care Recipient – PPS Number: XXXXXXXX
Park Place
Hatch Street
Dublin 2

DD/MM/YYYY

Dear Sir/Madam,

The Health Service Executive has notified the Revenue Commissioners that in accordance with the provisions set out in the Nursing Homes Support Scheme Act 2009, the sum of €xxxxx is payable in respect of nursing home charges incurred in relation to the person named above.

Under Section 26 of the said Act, Revenue has responsibility for collection of the sum mentioned.

Payment of this sum is due no later than dd/mm/yyyy. You should make the necessary arrangements to ensure that this sum is paid on time.

I enclose a payment slip for this purpose.

Yours faithfully,

Michael Gladney
Collector-General
Reminder Letter

Relevant Accountable Person
Park Place
Hatch Street
Dublin

Nursing Home Charges in respect of:

Care Recipient – PPS Number: XXXXXXXX
Park Place
Hatch Street
Dublin 2

Dear Sir/Madam,

I wrote to you on dd/mm/yyyy advising you of the fact that the sum of €xxxxx is payable in respect of nursing home charges incurred in relation to the person named above.

That sum is due for payment on or before dd/mm/yyyy. You should ensure that this payment is made to Revenue on time as late payment attracts an interest charge.

Arrangements should be made now for the payment to be made on time. If you have already taken the necessary steps or if your payment has crossed in the post with this letter, thank you.

I enclose for your assistance a further copy of the payment slip that should accompany your payment.

Yours faithfully,

_____________________
Michael Gladney
Collector-General
Second Reminder Letter

Relevant Accountable Person
Park Place
Hatch Street
Dublin 2

Nursing Home Charges in respect of:

Care Recipient – PPS Number: XXXXXXXX
Park Place
Hatch Street
Dublin 2

DD/MM/YYYY

Dear Sir/Madam,

I wrote to you on the dd/mm/yyyy advising you of the fact that the sum of €xxxxx is payable in respect of nursing home charges incurred in relation to the person named above.

That due date for payment expired on dd/mm/yyyy. My records indicate that you did not make payment.

You should be aware that if you do not resolve this issue as a matter of urgency, it will be necessary for Revenue to collect the debt due using the enforcement measures available to them.

If you have already taken the necessary steps or if your payment has crossed in the post with this letter, thank you.

I enclose for your assistance a further copy of the payment slip that should accompany your payment. Please reply within 10 days.

Yours faithfully,

_____________________
Michael Gladney
Collector-General
Final Demand

Relevant Accountable Person
Park Place
Hatch Street
Dublin 2

Nursing Home Charges in respect of:

Care Recipient – PPS Number: XXXXXXXX
Park Place
Hatch Street
Dublin 2

DD/MM/YYYY

Final Demand

Dear Sir/Madam,

I refer to correspondence issued to you on the dd/mm/yyyy. According to our records no payment has been received.

I hereby request payment of €xxxx in respect of the amount repayable. Interest on the amount due has been accruing from the dd/mm/yyyy at the appropriate rate.

Failing to make payment within 7 days from today’s date, the amount in question may:

- be the subject of Court proceedings for recovery of the debt due.
- be referred to the Sheriff or County Registrar with a view, where necessary, to the seizure of goods to the value of the debt due and any fees and expenses due to the Sheriff/County Registrar
- be the subject of a direction, as specified in a notice of attachment, to a third party who owes you money, to pay to Revenue rather than direct to you an amount equivalent to the amount due by you to Revenue.

Any such action will be taken without further warning.

The amount of interest due up to the date of the Court hearing, or referral to the sheriff, or notice of attachment as appropriate, will be specified and that interest will be collected as if it were tax.

Future instances of late payment will also attract interest that will have to be paid by you.

Any further action taken to collect the debt now due may involve significant costs including professional fees. These costs will have to be paid by you so it is in your interest to deal with this matter now without delay.

Yours faithfully,

________________
Michael Gladney
Collector-General
Interest Charge Letter

Relevant Accountable Person
Park Place
Hatch Street
Dublin 2

Nursing Home Charges in respect of:

Care Recipient – PPS Number: XXXXXXXX
Park Place
Hatch Street
Dublin 2

DD/MM/YYYY

INTEREST ON LATE PAYMENT

Dear Sir/Madam,

You are now being charged interest in the sum of €xxxxx as per attached schedule.

Please forward this amount to the above address with a copy of this letter and the schedule within 21 days of this date.

Failure to do so may result in the enforcement of collection without further notice.

Yours faithfully,

___________________

Michael Gladney
Collector-General
Statement of Interest

Nursing Homes Support Scheme

In respect of Care Recipient – PPS Number: XXXXXXXX

dd/mm/yyyy

<table>
<thead>
<tr>
<th>Amount Paid</th>
<th>Due Date</th>
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<td><strong>Total</strong></td>
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<td><strong>€0,000.00</strong></td>
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NURSING HOMES SUPPORT SCHEME PAYSLIP

Nursing Home Support
The Revenue Commissioners are the payment collection agent for the Health Service Executive (HSE) of charges incurred by way of Ancillary State Support provided for in the Nursing Homes Support Scheme Act 2009.

Method of Payment
The payment must be made by cheque and made payable to the Collector-General and forwarded to:

Collector-General,
Sarsfield House,
Limerick.

This payslip should be sent with the cheque. If the designated "Nursing Homes Support Scheme" payslip is not sent with the payment, then a delay in the processing of the payment may occur because Revenue may not have the precise information we need to process your payment speedily.

Accountable Person
This is the person determined by the HSE as being responsible for paying the amount due in respect of Nursing Home financial support provided to the Care Recipient.

Care Recipient
This is the person in respect of whom financial support under the scheme was provided.

IMPORTANT
To ensure your payment is processed speedily and correctly, it is necessary to complete
PART A AND PART B of this payslip.

<table>
<thead>
<tr>
<th>PART A</th>
<th>Accountable Person Details</th>
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<tbody>
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<td></td>
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<table>
<thead>
<tr>
<th>PART B</th>
<th>Care Recipient Details</th>
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