

# **Ancillary State Support Work Guide**

## **Collector-General's Division**

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## 1. Summary

This guideline outlines how Revenue collects repayment of Ancillary State Support Scheme Loans. The Ancillary State Support scheme is also referred to the Nursing Home (Fair Deal) Loan Scheme.

Revenue is the collection agent for the Health Service Executive (HSE) in relation to Ancillary State Support Scheme loans.

The Collector-General's Services and Transactions Taxes Unit (STTU) is responsible for the collection of liabilities and Payment Accounting and Banking Unit (PAB) is responsible for bringing payments to account and reporting payments to STTU.

The HSE sends cases to STTU on a monthly basis. STTU then carries out the necessary caseworking and reports back to the HSE each month on payments received for these cases.

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[...]

## 2. Legislation

Revenue's role as collection agent for the HSE in relation to Ancillary State Support is 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.

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. This section 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'.

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. How does the scheme operate?

State support is provided whereby the person in care (care recipient) does not have to pay their contribution during his/her lifetime. Instead, if approved, the HSE pays the nursing home on behalf of the care recipient who agrees to a HSE charge being placed on their property. The money is repaid after the death of the care recipient 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.

This loan element is an optional benefit of the Nursing Homes Support Scheme. 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 from now on 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](http://www.hse.ie).

## 4. Case working

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[...]

### 4.2. 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 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.

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[...]

#### 4.3. Making payments

Customers should repay the loan through the Payment Services in myAccount or Revenue On Line Services (ROS).

#### 4.4. Letters issued by STTU

Before any enforcement action is considered, STTU issues letters to the accountable persons at various stages.

Please refer to [Appendix 2](#) for copies of the correspondence.

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[...]

#### 4.7. Revenue advises HSE of payments made

When applying for Ancillary State Support, the care recipient agrees to a voluntary charge by the HSE on his/her property. This charge is released by the HSE when the debt is fully repaid. By the last week of each month, Revenue advises the HSE of payments received for active cases, including cases which are fully paid, allowing the HSE to release the charge where appropriate.

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[...]

### 5. Case working specific scenarios

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[...]

The repayable amount is a debt due and payable out of the estate of the deceased person. 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. However, it is limited to the assets of the estate.

Normal debt management case-working procedures apply to Ancillary State Support. The enforcement options available are solicitor and attachment; any enforcement is carried out manually.

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[...]

### 5.1. Interest on late payments

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—  $R \times D \times 0.0219\%$  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.

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[...]

### 5.2. Assets in the Estate

Revenue’s enforcement is limited to the property of the estate, save in exceptional circumstances – see section 5.3 below. Revenue cannot therefore pursue the personal assets of the accountable person in the ordinary course. However, Revenue’s actions is not limited to the part of the estate on which the HSE charge exists, the whole estate is available to repay the loan.

The RSO has advised that

‘while liability is imposed upon persons primarily accountable (as set out in the Act) for the Debt, the view is that the wording of Section 26(5) of the Nursing Homes Support Scheme Act 2009 requires that Revenue exhaust recovery options from the estate of the deceased (as distinct from the charged asset), and personal liability of the accountable persons will not arise in the absence of fraud or a breach of Section 27(2) of the Act.’

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[...]

### 5.3. Distribution of the Estate

The only circumstances when Revenue can pursue personal assets is where there is a breach of section 27(2)(b) of the Nursing Homes Support Scheme Act. This section requires the person seeking to distribute the estate, as soon as is practicable, and in any case not less than 3 months before any distribution of the estate, to give to the HSE -

- (i) notice in writing of your intention to distribute the assets and
- (ii) a schedule of the said assets.

If requested in writing by the Executive to do so before the expiration of the period referred to above, section 27(2)(b) of the Act requires that that assets of the estate are retained which are sufficient to repay the amount due and payable in respect of the amount due in relation to advances of ancillary State support.

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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[...]

### 5.4. Forced Sale

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.

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[...]

### 5.5. 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 the death of the care recipient. The HSE advises Revenue when deferrals are granted and STTU is aware that it is not to pursue the debt.

When the deferral has expired then the due date recommences one year from the date of expiry. Revenue then recommences recovery action with the usual timeframes for contact, reminders and interest letters etc. **Instalment Arrangements (IAs)**

There is no provision for IAs under Ancillary State Support, however, a number of requests have been received. When an accountable person requests an IA he/she is informed that there is no provision for such arrangements. If he/she still wishes to pay by IA then the payment is accepted. This does not impact on any further decisions made by Revenue on the case.

The caseworker reminds the accountable person of the late interest charges accumulating and that the HSE has a charge on the property and all efforts should be made to sell this property. The accountable person is also informed that in the event that he/she does not sell the property, Revenue will take all the necessary steps to recover the liability due which could ultimately result in forced sale.

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[...]

#### 5.11. 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.

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[...]

#### 5.14. Accountable person dies

If the accountable person dies during the course of case-working, Revenue suspends its action and informs the HSE. Revenue then awaits instruction from the HSE as to the identity of the new accountable person.

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[...]

#### 5.15. Accountable person changes

STTU are advised when the accountable person changes either:

1. from the HSE or
2. from the family or family representatives by telephone
3. from the family or family representatives in writing



If the HSE advise STTU of changes to the Accountable person, STTU updates their database and issues a contact letter to the new accountable person.

If STTU are advised by the family or family representatives by telephone, STTU advises the caller to inform the HSE and notes this on the database.

If STTU are advised by the family or family representatives in writing, STTU forwards a copy of the correspondence to the HSE and notes this on the database.

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[...]

## 7. Reporting

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

[...]

## 8. Meetings and SLA

The current SLA states that the HSE and Revenue will meet formally, on a regular basis and at least biannually.

## 9. Data and file processing

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[...]

## Appendix 2 – 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. The loan can be repaid through the Payment Services in myAccount or Revenue On Line Services (ROS). For assistance in making payments contact Revenue's helpline at 01 738 36 63.

Any payments made after the due date will incur interest charges which will apply back to the date of the relevant event which is dd/mm/yyyy.

Yours faithfully,

Caseworker  
Collector-General's Office

Phone: 068 xxxxx

## 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

DD/MM/YYYY

Dear Sir/Madam,

Revenue advised on dd/mm/yyyy 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 in full 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.

The loan can be repaid through the Payment Services in myAccount or Revenue On Line Services (ROS). For assistance in making payments contact Revenue's helpline at 01 738 36 63.

If you consider that the loan will not be repaid by the due date and if you have not already done so, please outline in detail the reasons for the delay and the expected payment date. This should be sent in writing to:

Services and Transactions Taxes Unit

Office of the Revenue Commissioners

Mill Lane

Listowel

Co. Kerry.

You should be aware that Interest charges apply back to the date of the relevant event which is dd/mm/yyyy, for any payments made after the due date.

Yours faithfully,

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Caseworker

Collector-General's Office

Phone: 068 xxxxx

## 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,

Revenue advised on dd/mm/yyyy 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. Interest continues to accrue on the outstanding balance.

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

The loan can be repaid through the Payment Services in myAccount or Revenue On Line Services (ROS). For assistance in making payments contact Revenue's helpline at 01 738 36 63.

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

Yours faithfully,

\_\_\_\_\_

Caseworker

Collector-General's Office

Phone: 068 xxxxx

## 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 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 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,

\_\_\_\_\_  
Caseworker

Collector-General's Office

Phone: 068 xxxxx

## 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.**

The interest can be repaid through the Payment Services in myAccount or Revenue On Line Services (ROS). For assistance in making payments contact Revenue's helpline at 01 738 36 63.

Yours faithfully,

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Caseworker

Collector-General's Office

Phone: 068 xxxxx

## Statement of Interest

### Nursing Homes Support Scheme

In respect of Care Recipient – PPS Number: XXXXXXXX

dd/mm/yyyy

Amount Paid	Due Date	Date Paid	Interest Due
€0,000.00	dd/mm/yyyy	dd/mm/yyyy	€000.00
€0,000.00	dd/mm/yyyy	dd/mm/yyyy	€000.00
<b>Total</b>			€0,000.00



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[...]