

# Means Assessment of savings accumulation and disclosure requirements

This is being temporarily issued as a standalone guideline, but will be integrated into the main [Means Assessment guidelines](#) which are currently in the process of being reviewed and updated.

This guideline specifically focuses on the assessment of means where a customer's assets e.g. cash deposits in the bank have increased and the customer states this is due to savings. This advice applies to State Pension (Non-Contributory) and Disability Allowance payments.

## Rules for calculation of means

The rules as to calculation of means for the means-tested schemes with which these guidelines are concerned are set out in:

- Parts 1, 2, 3 and 5 of the Third Schedule of the Social Welfare Consolidation Act 2005 as amended;
- Chapter 6 of Part 3 of the Social Welfare (Consolidated Claims, Payments and Control) Regulations 2007 (SI 142 of 2007) as amended.

Table 1 in Schedule 3 of the 2005 Act provides the standard formula for calculating weekly means from capital for the various social assistance schemes.

## Rules for revised decisions

The legislation on revised decisions and their date of effect is related in Sections 301 and 302 of the 2005 Act. The guidelines on [Revised decisions and their date of effect](#) are very clear that where fraud is involved, the decision should always be retrospective i.e. Section 302(a) of the SWCA 2005, as amended. In other cases, the DO has to determine whether the customer could reasonably have been expected to be aware of the relevant facts and the need to notify the Department.

## Treatment of accumulated savings

The feedback from ongoing means reviews is that some customers are saving a portion of weekly welfare payments over time. This accumulation, when detected at control reviews and reassessed for means, can result in reduced rate welfare payments or even disqualification where the means are in excess of the income limit for that scheme.

## Questions arising in these circumstances:

1. Can savings accumulated from welfare payments be treated differently to other cash in the bank?
2. When is it appropriate to revise a decision with current effect when savings have accumulated?
3. Is it ever appropriate to back-date a revised decision?
4. What is current practice when revising decisions on increased capital in Estate cases?

**Question: Can savings accumulated from welfare payments be treated differently to other cash in the bank?**

**Answer:**

Legislation provides that the value of any savings that a customer and/or a spouse, partner or cohabitant own, are assessable as means for the purposes of means-tested payments. There is no basis for disregarding savings from any particular source in these means assessments, for example pensions or social welfare payments. The assessment of capital for means testing purposes does not take into account how and from what sources the capital has accumulated.

So where new information about a customer's means becomes available, whether from a control review or otherwise, and this reflects an accumulation of savings, the savings are assessed as means in the normal fashion. If the customer's means exceed the income limit for that payment, the standard procedures for revising decisions apply, and the welfare payment may be reduced accordingly. It is a matter for the DO to decide the date of effect of the revised decision, whether this should take effect from the date of the original decision (for an overpayment), the date the new fact or new evidence came to light or the current date.

**Question: When is it appropriate to revise a decision with current effect when savings have accumulated?**

Although it cannot be proven, but where the pattern of cash deposits is consistent with personal savings, the DO should implement the revised decision from the current date. The DO must be satisfied that the customer was unaware of the consequences that savings accumulation has for a means tested payment. The [Revised decisions](#) guidelines<sup>1</sup> advise that sub-section 302(b) applies where the DO is satisfied that the claimant did not wilfully conceal facts.

The revised decision must clearly state the basis for the reduced payment and identify the capital sum in the bank, while noting there is no evidence of deliberate nondisclosure. The customer should be made aware of the need to inform the Department of any relevant change in financial circumstances. Every effort should be made to ensure that the customer fully understands the impact a change in financial circumstances can have on income limits for a qualifying payment. S/he should be reminded of their responsibility to inform the Department of any relevant changes to their finances.

**Question: Is it ever appropriate to back-date a revised decision?**

Yes, the general principle is that where the customer could reasonably have been expected to be aware of the relevant facts (e.g. a change of circumstances) and to have notified the Department about the position, the decision should have effect from a retrospective date. For

---

<sup>1</sup> These guidelines also contain example scenarios to illustrate the different effective implementation dates, either retrospective or current, to reflect customer circumstances.

example, where a large cash deposit features on a bank statement, either at time of original claim or subsequently, and the customer has either not disclosed this or adequately explained its origins, the DO may consider this a nondisclosure of relevant financial information. In these circumstances, it is a matter for the DO to determine on the facts, and in the circumstances, whether an overpayment has occurred or not, and to make the revised decision accordingly, based on the relevant provisions of the Act.

#### **4. What is current practice when revising decisions on increased capital in Estate cases?**

A different approach is adopted when additional means from accumulated savings are identified in reviews of estate cases. On receipt of the SWI's report, the DO retrospectively reviews the deceased person's entitlement to the assistance paid over the period from date of the original claim. Based on this, the DO may consider that there was no entitlement to any assistance at all, or that the deceased was entitled to a lesser rate than actually received. In general, if it is shown that a reduced entitlement or nil entitlement may have applied then an overpayment will be established. In such cases, the DO will write to the personal representative setting out details of the estimated overpayment and explaining how the revised decision was arrived at.

#### **Sources of more information**

The following guidelines deal with the issues addressed in the above situations:

- [Revised decisions and their date of effect](#)
- [Decision making and natural justice](#)
- [Reasons for decisions](#)
- [Overpayment recovery – guidelines on the recovery of debt](#)
- [Means Assessment](#)