

CARE ACT 2014

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1 – Care and Support

Imposing charges and assessing financial resources

Section 16 - Cap on care costs: annual adjustment

131. This section requires annual adjustments in order to ensure that the level of the cap and an adult's accrued costs keep pace with inflation.
132. *Subsection (2)* ensures that an adult's accrued costs are adjusted by the same measure as the cap, so that if someone was previously 50% of the way towards the cap, then they will remain so after adjustment. *Subsection (3)* specifies the meaning of "average earnings" for the purposes of this section and *subsection (4)* requires adjustment to be considered annually following commencement of the section.
133. *Subsection (5)* makes it clear that the power to set the level of the costs cap in section 15 is not restricted by the annual adjustment.