SUPPORT FOR FAMILY CARERS

Can family be paid to care? Direct payments, benefits and the rules

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IN BRIEF

Yes, in some cases. A relative who lives elsewhere can be paid from a council direct payment, but a husband, wife or partner, or a close relative living in the same household, can only be paid if the council decides it is necessary. Family carers can also claim Carer's Allowance (£86.45 a week in 2026/27) or the Universal Credit carer element, and a person can choose to pay a relative from their own money, with care over tax, benefits and any power of attorney.



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Many families wonder whether the son, daughter or partner who does most of the caring could be paid for it. In England there are four main routes, each with its own rules. This guide explains them in turn; in Scotland, Wales and Northern Ireland the rules differ.

The four ways money can reach a family carer

1. **A council direct payment** used to pay a relative for care.
2. **An NHS personal health budget**, if the person gets NHS Continuing Healthcare.
3. **Benefits for the carer**: Carer's Allowance, or the carer element of Universal Credit.
4. **The person's own money**, including Attendance Allowance, paid to a relative by agreement.

Being paid from a council direct payment

A direct payment is the council's share of a personal budget, paid so the person can arrange their own care. See direct payments and personal budgets for how they work.

Relatives who live elsewhere can be paid from a direct payment to provide care. A daughter who lives down the road, for example, can be employed as her father's personal assistant.

Close family in the same household cannot be paid for care from a direct payment unless the council decides it is necessary. Regulation 3 of the Care and Support (Direct Payments) Regulations 2014 covers:

- the person's husband, wife or civil partner, or someone living with them as a couple, wherever they live;
- a parent, parent-in-law, son, daughter, son- or daughter-in-law, stepchild, brother, sister, aunt, uncle or grandparent who lives in the same household;
- the husband, wife, civil partner or partner of any of those relatives, if they live in the same household.

Paragraph 12.36 of the Care and Support Statutory Guidance explains that this rule continues from the 2009 regulations, with one change: a close relative in the same household can now also be paid for **managing and administering** a direct payment, if the council decides that is necessary. Its example of paying for care is James, whose communication only his parents understand after years of caring for him. Its example of paying for administration is Gill, who organises her husband's personal assistants. The guidance says payments for administration are not meant to replace income, and that families should be told about the tax, employment and benefit effects before deciding.

Making the case. The council decides each case. Explain, in writing, why care from you is necessary to meet the person's needs, not simply preferred. Reasons families put forward include communication that only the family understands, severe distress with unfamiliar carers, cultural or religious needs that cannot otherwise be met, or no suitable care available locally. Include evidence: letters from the GP or specialist nurse, records of failed attempts with agencies, or the person's own written wishes.

Wording you can use:

> "We are asking the council to agree that [name]'s direct payment may be used to pay me, [his daughter, who lives with him], to provide part of his care. We believe this is necessary because [reasons]. Enclosed are [evidence]. Please consider this under regulation 3 of the Care and Support (Direct Payments) Regulations 2014 and paragraph 12.36 of the statutory guidance, and send us your decision and reasons in writing."

If the council refuses and you think the decision is wrong, use the council's complaints procedure, then the Local Government and Social Care Ombudsman. See how to complain about care.

Becoming an employee. A relative paid from a direct payment is usually employed by the person, or by whoever manages the payment. That brings payroll, tax and National Insurance, holiday pay, pension and insurance duties. The council's direct payment support service can help, and the statutory guidance says the direct payment should include the cost of insurance needed to meet the plan.

Being paid through an NHS personal health budget



People who get NHS Continuing Healthcare at home have a right to a personal health budget, which can be taken as a direct payment. The NHS rules are similar: a family member or friend who lives in the same household can only be paid if the NHS body is satisfied it is necessary to meet the person's need for that service satisfactorily. Relatives living elsewhere can be paid where the care plan allows.

Carer's Allowance

Carer's Allowance is **£86.45 a week** in 2026/27 for people who care for someone at least 35 hours a week, where that person gets a qualifying benefit such as Attendance Allowance or PIP daily living. You do not have to live with them or be related. Earnings must be **£204 a week or less** after tax, National Insurance and allowable expenses. Any pay for caring counts as earnings.

Before claiming, check the effect on the person you care for: if they get an extra amount for severe disability in Pension Credit, it stops when someone is paid Carer's Allowance for them. See our full Carer's Allowance guide. To claim, apply on GOV.UK or call the Carer's Allowance Unit on 0800 731 0297 (Monday to Friday, 8am to 6pm).

The Universal Credit carer element

If you claim Universal Credit and care for someone at least 35 hours a week who gets a qualifying disability benefit, your award includes **£209.34 a month** in 2026/27. You must report it to DWP, as it is not added automatically. Two points catch families out:

- **Paid caring does not count.** Under regulation 30 of the Universal Credit Regulations 2013, you are not treated as having caring responsibilities for someone if you earn income from caring for them. A relative paid by direct payment to care for their father would not get the carer element for that care.
- **Carer's Allowance is deducted** from Universal Credit, so you do not get both in full.

When the person pays a relative from their own money

An adult with capacity can choose to pay a relative for help from their own income or savings. Attendance Allowance, at £76.70 or £114.60 a week in 2026/27, is not means-tested and, as Age UK explains, does not have to be spent on care, so some people use it this way.

To keep it fair and clear:

- **Write an agreement:** what care is provided, the hours, the rate, how it is paid, and when it will be reviewed.
- **Keep the rate reasonable** and records of the care given.
- **Check tax and benefits:** regular pay may be taxable income for the relative and affect their benefits. Informal payments and employment are treated differently, so ask HMRC or an accountant.
- **Think about later council funding:** payments well above a fair rate could later be questioned as deliberately reducing savings ("deprivation of assets").
- **Talk to the rest of the family,** to avoid disputes now or after a death.

If an attorney or deputy makes the payments. The Office of the Public Guardian's guidance on family care payments (updated September 2026) says payments can be in the person's best interests, but must be affordable, reflect the care actually given, and be recorded. Where a lay attorney or deputy is both the carer and the person taking payment, they must ask the Court of Protection for approval. Where

a benchmark is needed, the OPG generally uses the average hourly pay of care workers, less 20%. Ask the OPG on 0300 456 0300 (Monday to Friday, 9am to 5pm; Wednesday from 10am).

Weighing it up honestly

Being paid can make caring sustainable, but it can also blur the line between family and work. Think about breaks, holidays and sick cover, the effect on your own pension and career, and what happens if the person's needs grow. Many families combine their own care with paid help, such as respite live-in care or visiting care, so the family carer can rest. Ask for a carer's assessment whatever you decide.

A checklist before any payment starts

- [ ] Which route: direct payment, NHS budget, benefits or the person's own money?
- [ ] Do you live in the same household? If so, has the council or NHS agreed in writing?
- [ ] Has a benefits check covered your benefits and theirs?
- [ ] Is there a written agreement with hours, rate and review date?
- [ ] Are tax, National Insurance and employer duties sorted?
- [ ] If an attorney or deputy is involved, is Court of Protection approval needed?
- [ ] Is there a backup plan for breaks and illness?

What to do next

1. Ask the council for a needs assessment for the person, and a carer's assessment for you.
2. Get a benefits check before claiming Carer's Allowance.
3. If you live together, put your request to be paid in writing, with evidence.
4. Write down any private arrangement, and check tax.
5. Plan regular breaks from the start.

How we can help

Day and Nightcare provides care funded privately, by councils, including through direct payments, and by NHS Continuing Healthcare. Our home care visits across Oxfordshire, or our fully managed live-in care anywhere in England from £1,550 a

week, can work alongside the care you give yourself and give you proper breaks. Call 01865 715780 for a free initial assessment and a written quote you can share with the council.

Common questions

Can I be paid to look after my mum if I live with her?
Only from a council direct payment if the council decides it is necessary. The law stops direct payments being used to pay a close relative who lives in the same household, unless the council makes that decision. The statutory guidance's example is someone whose way of communicating only their family understands. Ask the social worker, explain in writing why paying you is necessary for your mum's needs, and ask for the decision and reasons in writing.

Can I get Carer's Allowance and be paid for caring?
Possibly, but the pay counts as earnings. Carer's Allowance is £86.45 a week in 2026/27 for at least 35 hours of care a week, and is only paid in weeks when your earnings, after tax, National Insurance and allowable expenses, are £204 or less. If your pay for caring, plus any other earnings, goes over that, no Carer's Allowance is due for that week. Tell the Carer's Allowance Unit about any pay.

Can my brother pay himself for caring for Dad using his power of attorney?
Not on his own say-so. The Office of the Public Guardian says that where an attorney or lay deputy is both providing care and taking payment for it, they must ask the Court of Protection to approve it, because it is a conflict of interest. It may also expect court approval for paying a close relative, such as the attorney's spouse or child. Payments must be in Dad's best interests, affordable and properly recorded.

Does paying a relative reduce what the council charges?
Sometimes, and only up to a point. When the council counts disability benefits in its financial assessment, it should allow for disability-related expenditure, which can include privately arranged care the person needs and the council is not providing. Whether payments to a relative qualify is decided case by case, so keep records and ask. Payments well above a fair rate could be questioned as deliberately reducing savings, known as deprivation of assets.

Sources and further information

- GOV.UK: Care and support statutory guidance (chapter 12, paragraphs 12.35 to 12.40)
- legislation.gov.uk: Care and Support (Direct Payments) Regulations 2014, regulation 3
- legislation.gov.uk: NHS (Direct Payments) Regulations 2013, regulation 8
- GOV.UK: Carer's Allowance, eligibility
- GOV.UK: Universal Credit, what you'll get
- legislation.gov.uk: Universal Credit Regulations 2013, regulation 30
- GOV.UK: OPG's approach to family care payments (SD14)
- Age UK: Attendance Allowance

Read next

PAYING FOR CARE AND REDUCING THE COST

Direct payments and personal budgets: a guide for families

How personal budgets and direct payments work in England: who can get them, setting one up, using them with a care agency or for live-in care, employing a carer, paying family, adding your own money, record-keeping, reviews and audits, with wording you can use.

Read the guide →

PAYING FOR CARE AND REDUCING THE COST

Carer's Allowance: who can claim and how it affects other benefits

Carer's Allowance pays £86.45 a week in 2026/27 to people who care for someone at least 35 hours a week and earn £204 a week or less. Who qualifies, the effect on the cared-for person's benefits, Carer's Credit, underlying entitlement and how to claim step by step.

Read the guide →

SUPPORT FOR FAMILY CARERS

Carer's assessment: your rights and how to prepare

A carer's assessment is free and is your legal right under the Care Act 2014. What it covers, how to ask your council for one, how to prepare, and the support that may follow, from funded breaks and replacement care to a carer's direct payment.

Read the guide →

All guides in the information centre **Check what help you could get**

Talk to our care team: 01865 715780
enquiries@dayandnightcare.co.uk · Out of hours: 07775 686272
Day and Nightcare Live In Limited, 9 Hollow Way, Cowley, Oxford OX4 2NA
CQC overall rating: Good (report published 20 April 2018)

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Information, not advice: please check anything important with the organisation named.