



Hawsons Wealth Management

LONG TERM CARE FUNDING

Living longer but not necessarily healthier....



We are all aware that people are now living longer. The main factors said to be affecting this are mortality, fertility, health provisions and lifestyles.

UK population aged 85 and over



Sources: 1991-2001 Census data; 2002-61 Government Actuary's 2006 based projections

Whilst most people wish to live a long and healthy life, unfortunately that is not always the case and many are facing the need for either domiciliary (care in the home) or residential/nursing care. With the cost of care fees becoming part of their expenditure, people are turning to their trusted advisers to assist with the best way to pay for this. Some are even trying to plan in advance, possibly those with the experience of relatives requiring care!

If you need to pay - what are the rules?

- Assets over £23,250 (in England) which can

- include your property = No financial support from the Local Authority
- Assets less than £14,250 = Full financial support from the Local Authority, but:
 - Local Authority sets maximum limits for cost of care
 - Eligible income still taken into account
- Between £14,250 and £23,250 = some care may be covered by the local authority and you will pay for the rest

Different types of income such as money from certain disability benefits and pensions, may not be counted in the means test. This is the same for certain types of capital. All other income and capital can be taken into account.

Is any help available?...

Financial assistance can be available, some payments/benefits require means testing/financial and physical assessments (where your income and assets or current health have to be considered before a decision is made).

Attendance Allowance – available if you require help with personal support and are aged 65 or over and physically or mentally disabled.

- Higher rate - £87.65 per week or
- Lower rate - £58.70 per week

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Carers Allowance – if you care for someone for at least 35 hours a week and they get certain benefits:

- Amount payable - £66.15 per week

Nursing care – if you require nursing care the local authority will contribute towards this (paid directly to care homes only). You would require an assessment to see if you qualify for this:

- RNCC (residential nursing care contribution) - £158.16 per week (England)

If you moved into a care home before 1st October 2007, and you were on the high band, NHS-funded care is paid at a higher rate. In April 2017, the higher rate was set at £217.59 a week. You're entitled to continue on this rate unless:

- you no longer have nursing needs
- you no longer live in a care home that provides nursing
- your nursing needs have reduced and you're no longer eligible for the high band. You would change to the standard rate of £158.16 a week, or
- you become entitled to NHS continuing healthcare instead

NHS Continuing Healthcare – All of your care could be paid for if you have long-term complex needs. You would require an assessment to see

if you qualify for this.

I have to pay towards care....how?

If you need to pay for care there are various ways to do this. Your adviser will be able to assist you in agreeing your best option. This could be done by considering the following:

- Pay from income
- Use investments to produce an income
- Equity release
- Deferred Payment Agreement
- Draw down capital
- Immediate Care Plan

If funding for care is something that you need to consider, it can be an emotional time for families. Specialist advisers can assist you with the financial aspects of this, leaving you free to support your loved ones.

Please note that giving away assets to try and reduce your estate and therefore reduce/stop having to pay for care is considered deliberate deprivation of estate. If the local authority conclude that this was the case they can treat you as still owning these assets and use them in your assessment.

The content of this article is based on our understanding of current legislation.

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