

CARE FEES SOLUTIONS

Top Ten Tips provided by Care Fees Solutions

As our older population of home owners increases, so does the number for whom it will be necessary to sell their homes to pay for long-term care. Following a period of hospitalisation or an incident at home, older people, their families or carers are unprepared for what's facing them and have very little understanding of our long-term care system. This is why it is essential to seek advice from a SOLLA adviser, if they are to obtain and maintain the best possible care. The following are a number of essential points to consider on which your SOLLA adviser can offer further guidance.

1. Right of Choice

The National Assistance Act 1948 (choice of accommodation) Directions 1992 states that if the local authority is funding your care you do have the right to choose your care home, as long as the home:

- _ **Has a place available**
- _ **Can provide the care you are assessed as needing**
- _ **Complies with the authority's set terms and conditions**
- _ **Does not cost any more than they would usually pay.**

If your chosen accommodation does cost more than the local authority is prepared to pay, then a third party is required to top-up the fees. People funded by the local authority cannot top-up the fees themselves.

2. Attendance Allowance

If you are self-funding your care, claim attendance allowance. This is a non-means tested, non-taxable DWP benefit paid weekly at the lower rate of **£53** if you need care by day or night and the higher rate of **£79.15** if you need care by day *and* night. **Saving up to £4,116 per annum.**

3. Twelve Week Property Disregard and Deferred Loan agreements

The local authority must disregard the value of your property for the first 12 weeks of residential care and assist with your fees, **if your other capital is below £23,250 following an assessment.** After this period, the local authority can 'lend' you the money to pay for your care through a 'deferred payments agreement' to be recovered when your property is eventually sold. You may be able to claim pension credit with attendance allowance during this loan period. However, if you take a deferred loan from the council and the property is not on the market to be sold it should be treated as capital and, subject to its value, pension credit could be lost.

4. NHS Nursing Care Contribution in Nursing Homes and Continuing Care

Make sure you claim an NHS contribution towards your nursing home fees even if you are only staying for a short respite period. **Saving up to £109.79 per week. (Wales £120.55, N.I. £100 and Scotland £75)** If you have very high dependency on nursing you may be entitled to full NHS funding under the NHS continuing healthcare eligibility criteria which may meet the full cost of a nursing home place.

5. Couple's Savings

In assessing entitlement to financial assistance, the local authority will take into account joint savings with a spouse or partner and, until the value of those joint savings falls to £46,500 (i.e. double the means test limit of £23,250), no financial help is available. To accelerate financial help it is better to have separate single accounts meeting care costs from the account of the person in the care home.

6. Joint Tenancy

If your partner needs to move in to a care home, consider changing the ownership of your property from joint tenancy to tenants in common. You can then Will your half to your beneficiaries rather than it being caught up in the means test for care should you predecease your partner in the care home.

Saving 50% of the value of your home.

7. Lasting Power Of Attorney

Consider drawing up a Lasting Power of Attorney when you are fit and well. For the sake of paying a solicitor's fee your family could save a lot of expense and complications if in the future you were unable to cope with your own affairs and they had to involve the Court of Protection, thus **avoiding Court of Protection costs.**

8. Choosing Appropriate Accommodation

Choose a care home you are sure of being able to afford over the long-term. If there is a danger that your money may fall to the means test limit (currently £23,250) make sure the local authority social services department will fund the care you have chosen and that the care home will continue to accommodate you at what the local authority are prepared to pay. Otherwise you may find yourself having to move to cheaper accommodation or asking the family to top up.

9. Section 117 After Care

If you know an older person that requires care because they are mentally ill then make sure that they have not previously been admitted to hospital under Section 3 of the Mental Health Act 1983. If they were they should be entitled to Section 117 after care under the same act which can include full funding for a care homeplace. **Saving the full cost of care.**

10. Immediate Need Care Fee Payment Plans. (Impaired Life Annuity)

If you are selling your home to pay for care, consider purchasing an Immediate Need Care Fee Payment Plan. For a single premium this can provide a guaranteed income for the rest of your life, however long that may be. It can be indexed to help with fee increases and it can also be capital protected. The cost depends on gender, age and state of health. It is paid direct to the care home free of tax. Such a scheme not only effectively guarantees your fee shortfall but protects your remaining capital.

If you expect to pay Inheritance Tax, then this plan can be obtained at an **effective discount of 40%** as the single premium, once paid, immediately reduces your estate by that amount, saving inheritance tax on the size the single premium.

If you are self-funding your care we can provide you with a Care Fees Funding Report. This will clearly illustrate the affordability of your chosen care over the short and medium terms, using of a variety of tax-efficient options of which you may not be aware.

Brian Blake | The Hollies | Bunbury Lane | Bunbury | Tarporley | Cheshire | CW6 9QU

01829 260700 | 07768 608181

brian-blake@btconnect.com