

LONG TERM CARE

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A series of several parallel white lines of varying thicknesses, slanted diagonally from the bottom-left towards the top-right, crossing the right side of the slide.

EXCLUSIVE: Dementia care needs 'URGENT overhaul' CEO for Dementia UK warns

Altmann predicts 'radical reforms' from combined health/social care brief

Adult social care is 'underfunded and in a precarious state' MPs warn

Government pledges social care green paper by summer 2018

The social care postcode lottery - how where you live could decide if you get NHS funding

Dementia tax: Tory MPs urged to back Labour push to scrap policy

Homes of elderly should be used to fund social care, NHS head says

HOW MUCH COULD IT COST?

It's important not to underestimate the likely cost of care – even if it's provided in your own home. Just two hours care each day could add up to £11,000 or more over the course of a year. The average cost of a residential care home place is currently around £28,500 a year (figures from the Money Advice Service).

According to Saga, the average stay in a care home is two and a half years and the average weekly cost £537, giving a total of £69,810. In many areas the weekly cost is a lot higher – and of course the person may need care for longer.

CURRENT RULES

Who pays for care?

Paying for Care in a Care Home				
	England	Wales	Scotland	Northern Ireland
NHS Funded Nursing Care – provided by registered nursing staff	<p>Paid for by NHS.</p> <p>£158.16 per week</p> <p>(Higher rate = £217.59 per week)</p>	<p>Paid for by the Local Health Boards.</p> <p>£149.67 per week</p>	<p>Paid for by Local Authority.</p> <p>£79 per week flat rate.</p>	<p>Paid for by Health and Social Care Board.</p> <p>£100 per week flat rate</p>
Personal Care – help with care such as dressing and bathing	<p>If savings are over the upper means test limit, then no financial assistance given¹</p>	<p>If savings are over the upper means test limit, then no financial assistance given¹</p>	<p>Paid for by Local Authority.</p> <p>£174 per week flat rate.</p>	<p>If savings are over the upper means test limit, then no financial assistance given¹</p>
Domestic Care – laundry, cleaning etc. plus food and accommodation costs	<p>If savings are over the upper means test limit, then no financial assistance given¹</p>	<p>If savings are over the upper means test limit, then no financial assistance given¹</p>	<p>If savings are over the upper means test limit, then no financial assistance given¹</p>	<p>If savings are over the upper means test limit, then no financial assistance given¹</p>

The "Means Test" limits vary across the United Kingdom as shown in the table below.

Means Test limits with effect from April 2017

	England	Wales	Scotland	Northern Ireland
Upper Means Test Limit	£23,250	£40,000* ₂	£27,250**	£23,250***
Lower Means Test Limit	£14,250	£40,000* ₂	£17,000**	£14,250***

Assets above the Upper Means Test Limit	Local Authority Assistance not available. Please see "Paying for Care in a Care Home" table above.
Assets between Upper and Lower Means Test Limits	Income will be assessed and topped up to Local Authority fee scale. A small amount is disregarded. This is called the Personal Expense Allowance. (See over) For every £250, or part thereof, in assets held above the lower means test limit, £1 per week will be added to the income calculations.
Assets held are less than Lower Means Test Limit	Income, less the Personal Expense Allowance, will be assessed and topped up to Local Authority fee scale.

¹Attendance Allowance will be paid to people requiring care for 6 months or more, and who do not qualify for Local Authority Assistance for Personal or Domestic Care Costs in a Care Home. Details follow.

²The upper and lower means test limits will remain at £24,000 in relation to charging for non-residential care.

Important Note
– Your home should not be factored in the means test if your spouse/partner continues to live at the property.

CLAIM MAXIMUM SUPPORT

Type of benefit	Weekly Rate from April 2017	Weekly Rate from April 2018
Attendance Allowance [higher rate]	£83.10	£85.60
Attendance Allowance [lower rate]	£55.65	£57.30
Disability Living Allowance [highest care component]	£83.10	£85.60
Disability Living Allowance [middle care component]	£55.65	£57.30
Disability Living Allowance [lowest care component]	£22.00	£22.65
Disability Living Allowance [higher mobility component]	£58.00	£59.75
Disability Living Allowance [lower mobility component]	£22.00	£22.65
Personal Independence Payment [Living enhanced rate]	£83.10	£85.60
Personal Independence Payment [Living standard rate]	£55.65	£57.30
Personal Independence Payment [Mobility enhanced rate]	£58.00	£59.75
Personal Independence Payment [Mobility standard rate]	£22.00	£22.65
Personal Expense Allowance <small>This will now be called the 'Minimum Income Amount' in Wales</small>	£24.90 England & NI*** £27.50 Wales* £25.80 Scotland**	£24.90 England £25.27 NI*** £28.50 Wales* £27 Scotland**
Carer's Allowance	£62.70	£64.60
Basic State Pension – single (assuming full NI contributions made)	£122.30	£125.95
Basic State Pension - couple	£195.60 (Assuming No NI contributions made by one party)	£201.45 (Assuming No NI contributions made by one party)

Make sure that you are receiving all the state benefits and any local authority funding to which you are entitled.

SELF FUNDING CARE OPTIONS

Immediate need care fee payment plan

Designed to help if you need care straightaway. In return for investing a lump sum you get a guaranteed income for life.

Downsizing

Selling your home and buying a cheaper one could free up money to pay for your care.

12 week property disregard and deferred payment agreements

If you need to go into residential care and most of your money is tied up in your home, your local authority can assist with your care costs for the first 12 weeks of your care and offer you a deferred payment agreement.

This means you don't have to sell your home to pay for care straightaway.

Equity release

This gives you a lump sum or steady income to pay for your care using some of the money that's tied up in your house, while you carry on living there.

The money must be repaid at a later stage when the house is sold.

You should only consider an equity-release scheme once you've looked at all the other options.

SELF FUNDING CARE OPTIONS

Immediate Lifetime Care Plan or Secured Lifetime Care Plan

There are two types of Long Term Care Annuity. An Immediate Needs Care Annuity is suitable for individuals who are already in care or will imminently be moving into a residential home. A Deferred Care Annuity or Care Fees Annuity is the best option for those who are reviewing their care funding provision ahead of time.

How much you will receive from your Long Term Care Annuity depends on a number of factors including your age, your health and how much you have to pay towards the annuity. To give you a guide, we have provided an example below of what you need to pay as a lump sum to get an income of £10,000, which then increases in the future.

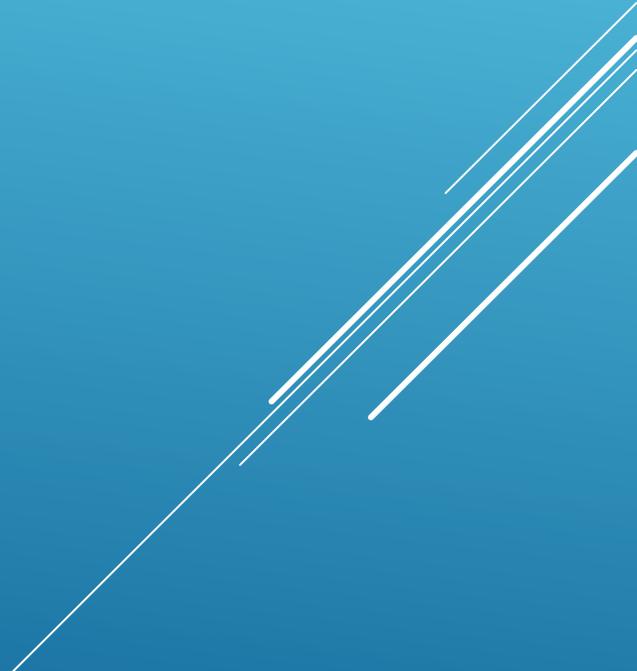
Your current age	How much a £10,000 annuity would cost you
70	£140,000
75	£105,000
80	£75,000
85	£60,000

There are a number of specialist insurers that offer Care Fee Annuities, so we would recommend that you speak to us as we can review the market for you.

The difference between the best and worst annuity rates could easily be 30%. For example, this could mean if you had £100,000 to pay towards an annuity, using a Long Term Care Annuity provider with poor rates could mean you have thrown away in the region of £30,000.

DEPRIVATION OF ASSETS

If you give away assets or otherwise dispose of them in order to put yourself into a more favourable position to get local authority assistance with your care home fees, the local authority may be able to assess you as if you still have the assets.



SUMMARY

- Take advice to match your specific circumstances – no two cases are the same.
- Do not make snap decisions – highly emotional time.
- No hard and fast rule to avoid care fees.
- Speak with IFAs or Solicitors.
- Get what you are entitled to from the State.
- **Set up a LPA and ensure your Wills are up to date.**

USEFUL LINKS

Money Advice Service - <https://www.moneyadviceservice.org.uk/>

NHS Care - <https://www.nhs.uk/chq/Pages/will-the-nhs-pay-for-my-long-term-care.aspx?CategoryID=68&SubCategoryID=681>

First Stop Advice Service - <http://www.firststopcareadvice.org.uk/> -
<https://www.moneyadviceservice.org.uk/>

Age UK - <https://www.ageuk.org.uk/cymru/home-and-care/care-homes/paying-care-home-fees-and-means-testing/>

Care Council For Wales - <http://www.ccwales.org.uk/>