

Long term care issues

Background

Not everyone will need long term care, but it is true that the need for long term care in Britain is on the increase, due to the fact that we are all living longer, but not necessarily in full health.

Most people assume that long term care is simply about someone being sent into a care home, but this is not necessarily the case. Long term care essentially comes in three forms:

residential (ie care homes) – whether private, voluntary or local authority;
domiciliary, such as meals on wheels, home helps etc; and
informal, provided by friends and family in private homes.

Informal care is by far the biggest provider, but whether it is likely to be available to you will depend on your personal circumstances and the circumstances of your family and close friends.

As a general guide, the average cost of a private nursing home is currently around £30,000 a year, and for 3 hours care at home each day, around £10,000 a year.

Paying for care

The first thing to remember is that your income, which may be in the form of pensions and/or investment income, will meet at least part of the cost. If you sell your house to move into a care home, the money from the sale can be invested to increase your income and you may be eligible for Attendance Allowance, or NHS funding for nursing care.

If you would like to know more about our services, please contact:

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The question is how to bridge the gap, if there is one, between your income and the cost of care, and there are a number of ways in which this can be done, for example:

From existing cash or investments.
Insure against the need for long term care.
Impaired life annuities.
Mortgage your house.
Help with the costs

If you can afford to pay for your own care, whether at home or in a care home, you may make your own arrangements. If you ask the local authority to assist with the provision of care, however, they will assess both the level of care needed and your ability to pay for that care.

If you have assets of between £14,250 and £23,250, the Local Authority will meet some of the cost of your care in a home, and you will pay the rest from your income and from a notional capital charge of £1 per week for every £250 of assets over the £14,250 limit.

If you have assets of £14,250 or less, your care costs will be paid for in full by the Local Authority, except that you will have to contribute all your income apart from a personal expenses allowance of £22.30 a week.

The value of your home may be disregarded in some cases.

The Local Authority will set a maximum limit on the amount they are willing to pay for care, and that limit may not be sufficient to meet the fees charged by the care home of your choice. In that case, a third party will be required to top up the fees if you are to remain in that home.

Planning

With careful planning, you can avoid seeing your life savings and also the value of your home disappearing in the cost of paying for care, but you should seek advice as early as possible.

There are regulations designed to prevent you giving away your assets to avoid paying for care. We can advise you on those regulations and how they might affect you and we can explain the options available to you. The cost of each option will vary, depending on your personal circumstances and requirements.

Please contact us for further information.

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