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Michael Forward

Financial Services

Long-term care

Paying for care in old age is a growing issue

Michael Forward Financial Services understands that few of us can afford to pay the high cost of long-term care out of our regular income, but don't worry – we can help you consider the other ways to finance your care.

If you find yourself in this position, it is essential to obtain professional advice about how you could legally reduce your liability to pay for your future nursing home costs, especially if you are not eligible for NHS funding.

Michael Forward Financial Services can help you to fully understand what the state provides and be certain about the costs and affordability if you, or someone you care for, are planning to fund your own care home fees.

All figures relate to the 2015/16 tax year.

FIRST TWELVE WEEKS OF PERMANENT CARE

Leaving your property aside, if your other capital is below £23,250 and your income isn't enough to meet the care home's fees, the local authority can assess your need for a care home residency and then help with the costs for the first twelve weeks of permanent care, as if you were funded by them. Any financial help after that will be a loan against the value of your former home and recovered from the eventual sale proceeds.

MEANS TESTED BENEFIT ENTITLEMENT

You may not have to sell your property straight away. If Social Services assess that you need a care home residency and your other capital is below £23,250, they can lend you the money to pay for your care, to be repaid from the proceeds of your home when it is sold. However, there may be a limit on how much they will actually lend you. It could also have a significant impact on your means tested benefit entitlement, if the property is treated as capital by the Department of Work and Pensions (DWP).

ATTENDANCE ALLOWANCE

Attendance Allowance is a non-means tested, non-taxable allowance, paid at the current lower rate of £55.10 per week and at a higher rate of £82.30 per week for those needing care 24 hours a day.

If you move into a care home and your property is left unoccupied, you should receive full exemption from council

tax until it's sold. If your property is on the market and you are entitled to Attendance Allowance, then you may be able to claim Pension Credit with a Severe Disability Addition (subject to the amount of your savings and income). However, if your property is not on the market, it could be treated as capital by the Department of Work and Pensions (DWP) and affect your entitlement to this benefit.

FULLY FUNDED CARE

If the care home provides the necessary nursing care, the NHS should pay a NHS Nursing Care Contribution towards the cost, regardless of whether your stay in the care home is temporary or permanent. At present, this amounts to a standard rate of £112 per week and a higher rate of £154.14 per week, and is paid for by the NHS.

There are certain circumstances where the NHS is responsible for meeting the full cost of someone's care in a care home. This is called 'fully funded care'. To be eligible, you must be assessed as having a significantly high level of medical need. It is worth talking to your GP about this possibility, as your GP practice will be a member of a local Clinical Commissioning Group (CCG), and the CCG is responsible for deciding who is eligible and for arranging continuing healthcare. Alternatively, a social worker, nursing staff or even a care home manager may be able to arrange an assessment for you.

LOCAL AUTHORITY ASSISTANCE

You can start seeking local authority assistance once your capital is reduced to £23,250. It's important for you to arrange an assessment of your care needs with the local social services department if there is a chance of you being unable to fund your care over the long term, as this will ensure that they will step in to help with the necessary funding.

It is also worth checking to see if the care home you have chosen will continue to accommodate you at social services funding rates. If not, it may be necessary for you to find a third party to 'top-up' the fees if you wish to stay in the same accommodation.

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We help our clients by providing impartial advice about the different ways of meeting care costs for as long as care is required, whilst at the same time only using up part of their capital. For example, purchasing an Immediate Need Care Fee Payment Plan can provide a regular and increasing income for as long as you need care and could potentially cap the cost from the outset.

CONTACT MICHAEL FORWARD FINANCIAL SERVICES FOR FURTHER INFORMATION

As part of our service, we also take the time to understand your unique needs and circumstances, so that we can provide you with the most suitable solution in the most cost-effective way. If you would like to discuss the options available to you, please contact us for further information.

We hope you will find this information helpful and we very much look forward to being able to help you secure the care you want.

This is for your general information and use only and is not intended to address your particular requirements. It should not be relied upon in its entirety and shall not be deemed to be, or constitute, advice. Although endeavours have been made to provide accurate and timely information, we cannot guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough examination of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions it may contain.