

L.E. LAW INFORMATION SHEET NO. 7

GUIDE TO PAYING CARE HOME FEES

The need for nursing home or residential care often arises when least expected. It could follow a period of hospitalisation, a stroke or an incident at home as a result of gradual deterioration in the ability to be self-sufficient. Whatever the reason, most families have very little understanding of our long-term care system – and need advice if they are to obtain and maintain the best possible care for their relatives.

Here are the 'Top Tips' that may be useful to families in this situation:

1. Remember, 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; and, does not cost any more than they would usually pay.

2. If you are self-funding claim attendance allowance. This is a non-means tested, non-taxable DWP benefit paid weekly at the lower rate of £37.65 (if you need care by day **or** night) and the higher rate of £56.25 (if you need care by day **and** night). Benefit rates quoted are from 1.04.2002.

Saving up to £2,925 per annum

3. 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 £19,000. After this period, the local authority can 'lend' you the money to pay for your care whilst your property is on the market. However, if your other capital is below £16,000 and you are entitled to Attendance Allowance you may be better off claiming Income Support, instead of taking a loan from the local authority.

Saving up to £64.65 per week

4. 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 £110 per week. If you are receiving the highest band of NHS contribution towards your nursing home fees, then you are considered to have very high dependency. Check to make sure you are not entitled to full NHS funding under the authority's continuing care eligibility criteria, which may be very close to this level of dependency.

This could meet the full cost of your fees

5. Those residents who are paying for their accommodation from joint savings with a spouse still living at home, should split those savings accounts into separate single accounts, immediately – to benefit from State assistance as early as possible.

For further information contact Neil Lloyd-Evans at:
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6. If your partner needs care, consider changing the ownership of your property from joint tenancy to 'tenants in common'. You can then Will your half to your children, rather than it being caught up in your partner's means test for care – should you predecease your partner.

Saving 50% of the value of your home.

7. Draw up an Enduring Power of Attorney. For the sake of spending £75 plus vat now, you could save a lot of expense and complications in the future – if you were unable to cope with your own affairs and had to involve the Court of Protection in dealing with your affairs.

8. Be careful to 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 run out make sure the social services will fund the care you have chosen – and the care home will continue to accommodate you at what the local authority is prepared to pay. Otherwise, you may find yourself having to move to cheaper accommodation, or asking the family to top-up!

9. Did you know that most local authorities will cap the amount they will pay for home care or expect you to pay for it if you have capital or savings of over £19,000? Consider purchasing long term care insurance to cover this cost and enable you to remain at home. The younger and healthier you are, the cheaper the premiums.

10. If you have an immediate need for care and have sold your home to pay for care home fees, consider purchasing an 'immediately need care fee payment plan'. Such plans deliver a regular guaranteed tax-free income higher than can normally be achieved from traditional investments or annuities. This would enable care costs to be met for life, whilst using up only part of your capital – thus enabling you to leave an inheritance if you so wish. But be careful, although there are only four companies that offer this product, their actuarial view of like expectancy can be quite varied and, consequently, so can the product price.

11. **Disclaimer**

This information sheet is for guidance only and does not remove the need to take professional legal advice relevant to the specific facts of any individual case. No responsibility will be accepted for any losses occasioned as a result of any action taken in reliance on the contents of this document.

And finally, take specialist advice.

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