

1. What is the cost of care in the UK?

Firstly, if you don't already, you'll need to understand the difference between 'social' and 'health' care. Social care is best described as care needed to help with activities of daily living (washing, eating, mobility etc). It is the responsibility of your Local Authority who will assess the needs you have, and they will also assess how much you are able to pay towards the care you need. If someone in need of social care owns a house or has much in the way of savings, the chances are they'll have to pay for all or at least some of their social care. On the other hand, Health care is where your needs are of a medical nature, and this is the responsibility of the NHS. So, if your need is for health care, this is currently free at the point of need.

2. Is it possible to be Inheritance Tax (IHT) efficient and still have enough for care fees?

Whilst it is tricky to remove the value of your home from your estate if you still wish to live in it – with careful planning this is still possible. That said the IHT reliefs for your main residence are now very generous and cover the value of many properties. If you have liquid capital that you would like to protect from IHT there are some options open to you which will remove them from your estate for IHT purposes but allow you to retain access to the cash should you need it to fund care fees.

3. If I run out of money, will the Government cover social care costs?

Only in some circumstances, and you'll potentially limit your choices. Your Local Authority has a statutory responsibility to identify what are called 'eligible' needs. They must provide care sufficient to meet those needs, and they must pay for this care if you run out of money (or your income and assets are below the financial threshold). However if your care needs do not meet the eligibility criteria, the Local Authority is not obliged to pay for them. If they **do** meet the criteria, you might find that the amount the Local Authority will pay gives you limited or no choice as to where you receive care, and how the care is delivered, unless a family member or other benefactor is prepared to pay the difference between what the Local Authority will pay and the cost of your choice of care provision (this is known as a 'third party top up')

4. If I gift money to my family/others, will the Government cover my care costs?

If you deprive yourself of assets by gifting them or disposing of them in some other way, where the main or significant purpose in doing so is to avoid paying for care and making the state pay instead, your actions are likely to fall foul of a rule known as 'deliberate deprivation of assets'. Local Authorities have extensive powers to look into whether this rule applies to your past actions. If they decide that you have deliberately given your assets or income away, then when they are assessing your eligibility for financial support they will ask you to pay the amount that you would have paid if you had never given those assets away. This could prove particularly difficult if the recipient of the gift has already spent the money.

5. Should I apply for free NHS Continuing Health Care (CHC)?

Where your care need is primarily health related and severe (known as a 'primary health need') you might be eligible for free NHS CHC, which will cover all the costs of your care, including your accommodation if you need to be in a care or nursing home. Many people are wrongly told that they shouldn't bother applying as they won't qualify. For example, it is not unusual for NHS CHC assessment to be denied on the basis that dementia is never a 'primary health need' but this isn't always the case. If you are assessed for NHS CHS, and told that you will not receive it, you would be well advised to seek professional help from experienced specialists. There have been many successful appeals to date, and this is an example of why professional advice is so important.

6. Is Attendance Allowance (AA) paid when I am receiving care in a residential care home?

It depends on your personal circumstances. Specifically, whether you pay for your social care or the Local Authority does. If you are a 'self-funder' (paying your own residential care fees) AA will usually continue to be paid to you. If your Local Authority is contributing towards your care costs, AA will usually be paid for the first four weeks (if you were already entitled to receive it before moving into a care home).

7. Will care in my own home be more expensive than in a residential care home?

Not always. For one thing, receiving care at home will mean you won't have to pay the accommodation costs that you would in a residential care home. Furthermore, if more than one person needs care in the same home, 'live in care' or full-time care can often work out significantly cheaper than both people going into residential care.

8. Will I have to sell my home to pay care?

Not necessarily. The rules concerning property and care are lengthy and complex, but it's important to understand that if you or a dependent (including a spouse or civil partner) are still living in the property then its value will be disregarded by the Local Authority when they assess your ability to pay for your care. In any event, your Local Authority should disregard the value of your property for 12 weeks after an assessment or until the property sells, if sooner.

9. If I lose mental capacity, will my spouse/civil partner be able to make decisions on my behalf?

This is something many unfortunately assume to be the case. If you haven't established an official legal Power of Attorney, then in many cases your spouse or partner will not be able to fulfil your wishes or make decisions on your behalf. This can become especially problematic where you own property jointly and sales are required to cover the costs of care fees.

10. Do I need a financial adviser?

The importance of advice from a registered and suitably qualified financial adviser is often underestimated. For example, did you know they are the only people who are legally allowed to advise on all of the ways you might consider paying for your care. Significantly, only they can advise you on the only way that is currently available to guarantee the payment of your care fees for life often referred to as an Immediate Care Annuity or Care Plan.

The Society of Later Life Advisers (SOLLA) helps people and their families in finding trusted accredited financial advisers who understand financial needs in later life. All SOLLA advisers specialise in the financial needs of older people and they have voluntarily undertaken an assessment on top of their professional qualifications in order to achieve the Later Life Adviser Accreditation (LLAA) qualification.

For more information please contact **Tim Davison**

tim.davison@shawgibbs.com

or call 01865 292198



OXFORD

264 Banbury Road, Oxford
OX2 7DY
T: 01865 292200

LONDON

2nd Floor, 201 Great Portland Street
London W1W 5AB
T. 0207 436 4773

The content of this document is intended for general guidance only and, where relevant, represents our understanding of current law and HM Revenue and Customs practice. Action should not be taken without seeking professional advice. No responsibility for loss by any person acting or refraining from action as a result of the material in this document can be accepted and we cannot assume legal liability for any errors or omissions this document may contain.

Shaw Gibbs Financial Services Ltd is authorised and regulated by The Financial Conduct Authority.