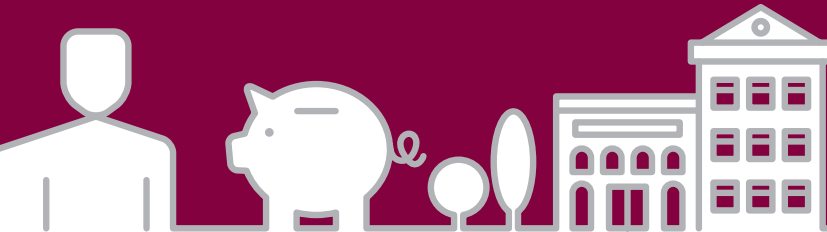


GUIDE TO PAYING FOR CARE

Moving forward together

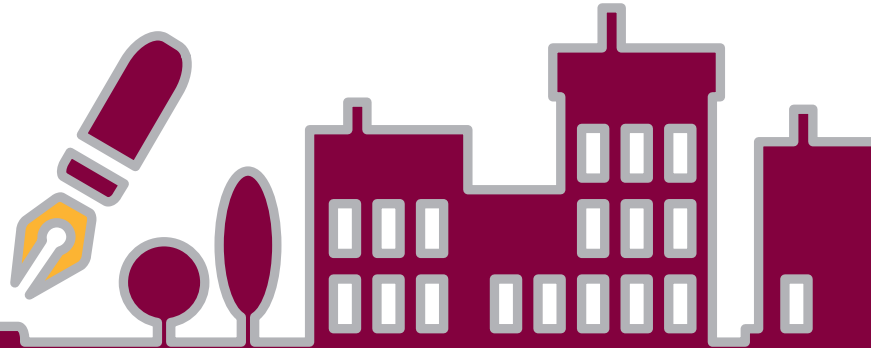


THERE ARE CURRENTLY MORE THAN 10 MILLION PEOPLE IN ENGLAND AND WALES AGED 65 OR OVER – AND MORE THAN A MILLION WHO ARE OVER 85.

The UK's population is rising fast and people are living for much longer than they used to – meaning that more and more people are finding that they need care in later life. In these circumstances, either you or your family will need to consider the costs of paying for care either in your own home or in a nursing or residential care home.

The rules which determine how elderly care is funded are notoriously complicated, which is why Palmers has produced this useful guide to the rules currently in place and some of the main issues that need to be considered.

However, the pages that follow should be taken as a general introduction only and you should always seek expert legal advice about how the law relates to your own particular circumstances.



Paying for care – costs and responsibilities

Currently, if – subject to a health and needs assessment – it is decided that you require care in the UK, social services will need to carry out a financial assessment to determine whether you have the means to cover the costs yourself.

This assessment will take into account:

- Your income (including interest on savings, and pension and benefit payments).
- Any capital you may have (including savings, investments and owned property).

If you have capital of less than £14,250 you will pay nothing for your care from your own capital and savings, regardless of whether the care is in your own home or in a residential setting.

If you have capital between £14,250 and £23,250, you will be deemed eligible for financial support from your local authority, but you will still need to make some contribution. If your assets exceed this threshold, you will have to cover the full cost of your care.

Once your assets drop below £14,250, you will only be expected to make income-based contributions.

It is important to note that if you are receiving care in your own home, it is only your savings that will need to be taken into account.

However, if you need to move to a care home, the value of your property may also be taken into consideration, depending on your circumstances.

If you find you have to pay your own costs, there are a number of different options for covering the bills. This is where Palmers can help.

Our expert Wills Probate and Older Client Services team can advise on the full range of choices, including the Deferred Payment scheme – effectively a Local Authority loan which enables any outstanding costs to be paid to the authorities after an individual has passed away.

Deferred Payment Agreements

You may be able to enter into what is known as a ‘Deferred Payment Agreement’ if you own residential property, but are moving away from this property permanently to go and live in a care home.

A Deferred Payment Agreement is essentially a loan from a local authority set against your home, which will enable you to pay for your care. Interest will be applied to the loan, but you will not need to sell your home immediately.

Palmers can advise on Deferred Payment Agreements, as it is always sensible to seek an independent legal opinion based on your circumstances prior to entering into such an agreement.

Deprivation of assets

Some families may be tempted to give away assets in order to qualify for help with funding, but this can prove a dangerous tactic which presents its own difficulties.

If the authorities find you have deliberately deprived assets, then such assets will be considered “notional capital”.

This means that the authorities will still be able to take them into account when deciding on the level of assets available.

The local authority may also seek to reclaim those assets which have been transferred.

However, this should not deter families from seeking professional advice on the legitimate and appropriate management of their financial and property affairs, as it is growing increasingly important in modern times to plan ahead.

If you want advice about this, please contact Palmers for more information about how we can help.

Are you entitled to NHS Continuing Care?

Everyone is entitled to free nursing care irrespective of their capital and savings, but it is the cost of social care and the so-called 'hotel costs' of long term residential care, where issues arise.

Under existing rules, you may be eligible to receive what is known as 'NHS Continuing Care' if you are being transferred to a nursing home from a hospital or are living with a serious health condition. If so, the health service will pay for all your needs including the aspects of social care and the hotel costs of residential care, irrespective of your financial circumstances.

There has been a degree of controversy in that families are not always advised that an individual may be eligible for funding, and therefore may have paid large sums of money unnecessarily.

Moreover, not everyone realises that even if someone isn't initially eligible for funding when an assessment is first carried out, a fresh assessment may be requested if their health deteriorates over time.

Families who are found to have been covering costs when in fact they would qualify for NHS support can apply for a refund to recover the money. In some cases, families have received refunds running into tens of thousands of pounds.

Palmers are able to advise on making an application for NHS funding. Our experts can also advise on the next best step if you feel you have been covering costs when you should be eligible for financial support from the NHS.

The hidden charges and other issues involved

In recent years, various organisations such as Citizens Advice have been raising concerns about practices at some care providers.

Common complaints include care homes increasing fees at very short notice, failing to pass on savings or making unexpected charges, which relatives later discover were buried in the small print of a contract.

It is always important to be aware of your rights should you find yourself facing any of the above issues. If you are concerned that a care company is falling short of the standards you would expect, please get in touch with Palmers for specialist legal advice.

Care following a loss of mental capacity

Conditions such as dementia are growing increasingly common across the UK – and can all too easily lead to a loss of decision-making capability and mental capacity.

Fortunately, there are steps that can be followed early on in order to alleviate some of the problems which may arise in the event you are affected by such a condition in the near future.

Palmers can help you to communicate your wishes clearly through a Lasting Power of Attorney (LPA) or a Will.

Put simply, an LPA is a legally-binding document which can grant your relatives, carers or close family members the authority to handle your property and financial affairs in the event that you may lose the ‘mental capacity’ to do so yourself.

For more information, please contact us.

How can Palmers help?

Our expert Older Client Services team are passionate and committed to ensuring that you have planned ahead effectively for later in life.

Our team are widely experienced and well-versed in advising clients on Wills, Inheritance Tax, LPAs and a wide range of other legal issues.

For more detailed information regarding any of the matters raised in this guide, tailored to suit your specific circumstances, please contact a member of Palmers' Wills, Probate & Older Client Services team.



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