

Despite the Department of Health having to set aside an estimated £180million to compensate older people who have wrongly paid for care that should have been provided by the NHS the majority of older people will still have to pay. As our older population of homeowners increases so does the number for whom it will be necessary to sell their homes to meet the cost. This whole issue underscores the importance of seeking independent advice when it comes to care fees. The chaos over who pays for care is continuing unabated and the real losers are older people who find themselves without support at their most vulnerable time.

Philip Spiers, Director of NHFA says “ Clearly from the calls we receive on our help line the information people receive from local authorities or the NHS does not always paint a clear picture of what they are truly entitled to and we encourage anyone entering into care to contact NHFA for impartial guidance.”

Follows are a number of simple points that may be helpful to people facing this difficult time.

1. **National Assistance Act 1948 (choice of accommodation) Directions 1992** 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 authorities set terms and conditions and, does not cost any more than they would usually pay. If your chosen accommodation does cost more then a third party is required to top-up the fees. Individuals funded by the local authority cannot top-up themselves.
2. **Attendance Allowance** If you are self-funding your care, claim attendance allowance. This is a non-means tested, non-taxable DWP benefit paid weekly at the lower rate of £39.35 if you need care by day or night and the higher rate of £58.80 if you need care by day and night.
3. **Twelve Week Property Disregard and Deferred Loan agreements** 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 £20,000. After this period, the local authority can 'lend' you the money to pay for your care through a 'deferred payments agreement' to be recovered when your property is eventually sold. If you place your property on the market whilst taking a loan from the local authority, subject to your other income and capital, you may also be able to claim Pension Credit with Attendance Allowance
4. **NHS Nursing Care Contribution in Nursing Homes** 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 £125 per week.** If you are receiving the highest band of NHS contribution towards nursing care then you are considered to have very high dependency. **Check to make sure they are not entitled to**

**full NHS funding under the health authority's continuing care eligibility criteria which may be very close to this level of dependency and meet the full cost of their care.**

5. **Couple's Savings** The local authority only has the right to financially assess the member of a couple that requires the care. Individuals who are paying for their accommodation from joint savings with a spouse at home, should split joint accounts into separate single accounts immediately to benefit from State assistance as early as possible, i.e.

	Joint Account £	Resident's Single Account £ (50%)	Partner's Account £ (50%)
Account balance	60,000	30,000	30,000
Care fees payable	20,000	10,000	-
	<b>40,000</b>	<b>20,000</b>	<b>30,000</b>

Divided by  $\frac{1}{2}$  = £20,000

Resident eligible to State assistance after £20,000 paid

Resident eligible to State assistance after £10,000 paid (**Saving of £10,000**)

6. **Joint Tenancy** If your partner needs to move in to a care home consider changing the ownership of your property from joint tenancy to tenants in common. You can then Will your half to your beneficiaries rather than it being caught up in the means test for care should you predecease your partner in the care home.
7. **Enduring Power Of Attorney** Consider drawing up an enduring power of attorney when you are fit and well. For the sake of paying a solicitor a small fee your family could save a lot of expense and complications if in the future you were unable to cope with your own affairs and they had to involve the Court of Protection.
8. **Choosing Appropriate Accommodation** 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 fall to the means test limit (currently £20,000) make sure the local authority social services department will fund the care you have chosen and the care home will continue to accommodate you at what they are prepared to pay. Otherwise you may find yourself having to move to cheaper accommodation or asking the family to top-up.
9. **Section 117 After Care** If you know an older person that requires care because they are mentally ill then make sure that they have not previously been admitted to hospital under Sections 3. If they have been so admitted they should be entitled to Section 117 aftercare under the same act which can include full funding for a care home place.
10. **Immediate Need Care Fee Payment Plans** If you have an immediate need for care and are selling your home to pay for it consider purchasing an immediate need care fee payment plan. These plans deliver a regular guaranteed tax-free income higher than can normally be achieved from traditional investments or annuities. They are a way of meeting care costs for life whilst using up only part of the capital and, as so many older people wish, enable an inheritance to be left for the family. **But be careful, although there are only four companies that offer this product their actuarial view of life expectancy can be quite varied and, consequently so can the price.** To combat this and

obtain the best possible price the NHFA uses a common application form and health questionnaire which is submitted to all companies.

### Sample Immediate Need Care Fee Payment Plan Prices

<b>Gender (M or F)</b>	F	M	M	F
<b>Date of Birth</b>	25/01/1910	11/08/1920	01/01/1915	14/04/1908
<b>Plan Income PCM (£) escalating by 5% pa</b>	750	971	900	953
<b>Health Impairment</b>	Heart Disease	Dementia	Dementia & Stroke	Dementia & Stroke
<b>ADL Failures</b>				
<b>Dressing</b>	✓	✓	✓	✓
<b>Bathing</b>	✓	✓	✓	✓
<b>Feeding</b>		✓	✓	
<b>Toileting</b>	✓		✓	✓
<b>Mobility</b>	✓	✓	✓	✓
<b>Cognitive impairment</b>		✓	✓	✓
<b>Company Offers (£)</b>				
<b>PPP</b>	37.444	40504	22.914	42.412
<b>NU/AGE CONCERN</b>	37.152	71132	41.643	43.955
<b>PAFS</b>	32.804	65897	28.556	47.154
<b>GE LIFE</b>	49.061	72182	40.246	33.452

Source NHFA Care Fees Advice 0800 99 88 33 [www.nhfa.co.uk](http://www.nhfa.co.uk)

#### And finally, take specialist advice

NHFA advice and information is free and available to all regardless of means and combines financial advice with the complexities of local authority charging and assessment procedures, health authority responsibilities, DWP benefits and legal matters. The aim of the NHFA is to enable older people meet the cost of their chosen care for life whilst also preserving their original capital, independence, dignity and right of choice.

Copies of the NHFA Long Term Care Guide and detailed information sheets can be obtained from NHFA, St Leonards House, Mill Street, Eynsham, Oxford, OX29 4JX, telephone 01865 733000, website [www.nhfa.co.uk](http://www.nhfa.co.uk)

NHFA Care Advice Line **0800 99 88 33** [www.nhfa.co.uk](http://www.nhfa.co.uk)

