



# We're here to help

A step by step guide  
to Care Fees Planning

nhfa  
Care Fees Advice

## How NHFA can help you

Established in 1991, we are the market leading provider of specialist financial advice for those needing to pay for long-term care, whether in a care home, their own home or a care village. We joined the HSBC group in 2005, becoming a specialist division of HSBC Bank plc in January 2010. Our trained and qualified care fees advisers are based throughout the UK.

### **Our specialist care fees advice can help you:**

- ◆ Make informed choices on how to meet care costs over the long term
- ◆ Preserve capital where possible for the inheritance you or a loved one may wish to leave.



### **Our advisers are specifically trained and qualified to give financial advice covering:**

- ◆ Your choices on how best to pay for care, dependent on your individual circumstances
- ◆ The financial products and options available to you to meet care costs
- ◆ Exactly what you might be entitled to from the state
- ◆ Local authority obligations
- ◆ Inheritance tax issues that may arise.

### **In addition, we have a dedicated team of experts able to give advice on broader issues such as:**

- ◆ Your right to choose care accommodation
- ◆ Interpretation of local authority regulations
- ◆ Your rights regarding gifting of assets
- ◆ How to manage issues affecting couples
- ◆ Property ownership issues
- ◆ Lasting Power of Attorney.

## How to get started

Start with a care assessment.

Everyone is entitled to be assessed by the local authority. The assessment is done to work out the care needs of older people, measure their financial resources and get the ball rolling.

It would help most people considering care, even if the local authority is not funding the care.

Social services will be able to provide a list of homes in the local authority area and basic information about them. Even if the local authority is funding the care, you have the right to choose a care home, as long as it meets your assessed needs and does not cost more than they would usually pay. If your preferred accommodation does cost

more, a family member or other third party can top up the fees. You can even arrange a temporary place in a home while you wait for a vacancy to come up at your preferred accommodation.

Anyone who qualifies for state funding will still be paid for by their local authority, even if they choose a care home in another authority area (to be nearer to family, for example).

Take time to do your research. Draw up a shortlist of homes, read their brochures and then visit the homes you're most interested in. Try to drop in without an appointment: that way you can get a representative view of how residents are being cared for. .

It's vital to choose a home that is affordable for as long as care is needed. You don't want to have to relocate at a later stage.

## Making care decisions

Choosing the right care options to suit your needs is essential. A good starting point is to think about the level of help needed; this will determine the level of care that's appropriate, where to receive that care and, in most cases, the cost. It's also vital to think not only about the care needed right now, but also what will be needed in the future.

### Care at home

This could be the most appropriate and cost-effective option if care needs are minimal. However, if you need to arrange 24-hour assistance, a live-in nurse or carer can work out very expensive.

### Sheltered Housing

This can be a good choice for those who are still fairly mobile but like the extra security of being able to call for help if needed. Sheltered housing usually takes the form of private purpose-built accommodation, which you can buy or rent. The price depends on the location and level of service.

### Care Villages

These purpose built sites combine the independence of sheltered housing with other on-site services, such as medical support and social activities.

### Residential Homes

If you need to arrange a greater degree of day-to-day care, these homes provide accommodation, meals and extra help, such as assistance with bathing and dressing.

While residential homes will always have care assistants available, they do not generally provide nursing care.

### Nursing Homes

If there is a particular medical condition that needs specialist care, then a home with registered nurses on site may best fulfil your needs. These homes are generally more expensive than those without nursing care, although this varies by region.

Take as long as you need to do your research. Visit homes that look suitable, ask questions and get as much advice as you can.

## Planning for care costs over the long term

The security of knowing care fees will be paid for as long as they're needed is vital.

Once you have a clearer idea of how much your chosen care is going to cost, and how much your local authority is likely to contribute to these costs, the next step is to work out how best to finance any shortfall.

Here we outline the main funding choices available, so you can identify those that might be appropriate.

### **Specialist Annuities**

Specialist annuities are available, aimed specifically at people funding care. Placing a lump sum of money into such a product can guarantee a high level of tax-free income for the duration of a person's life.

Prices vary considerably among the companies that issue these policies. Plans are cheaper for people in poor health as the underwriters will predict a shorter remaining lifespan.

If a policy holder does not live as long as expected, the capital used to buy the annuity could be lost to the estate unless capital protection has been purchased.

### **Invest for income**

If there is a large amount of capital, it could be invested to produce an income. The income produced needs to be the same or greater than the shortfall in care costs.

It is important to think about how these investments are structured in order to realise the necessary returns while covering against unnecessary risk or market volatility.

### **Raising money from the home**

You might want to consider using your home to raise capital or generate an income.

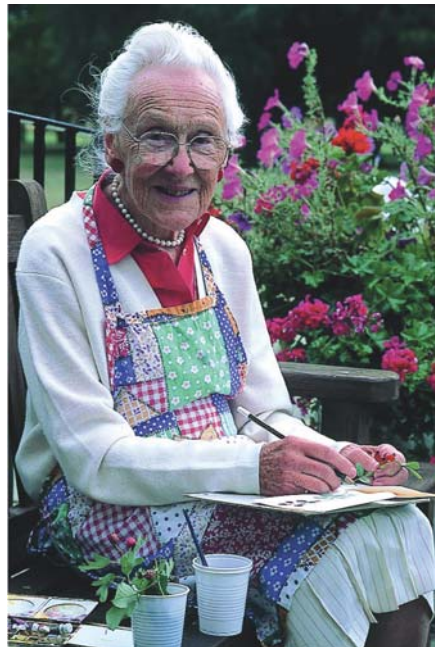
Many people choose to sell their home because it's one less thing to worry about. Others consider renting the property out or using a home equity release plan.

### **Help from the family**

Perhaps friends and family will be happy to contribute towards the cost to help secure the type and quality of care needed.

This help could take various forms, including contributing directly toward care fees or adding to the capital required to buy a specialist annuity, if that is the solution you have settled on.

It's worth taking the time to consider all of these options and discuss them with a specialist adviser to help you arrive at the solution that is best for your circumstances.



Where interest rates remain low leaving large amounts of cash on deposit is rarely a suitable option for meeting care costs.

## Here are a few of the most commonly asked questions:

### **Do I qualify for local authority assistance?**

If you have been assessed as needing care, and your capital is below the upper capital limit, you should be entitled to financial support from your local authority. If you have capital below the lower capital limit you will be entitled to maximum support. However, you may have to contribute from your income less an amount you are allowed to retain for personal expenses.

### **My partner needs care, how does this affect me?**

Only the partner requiring care should be means tested. Property occupied by a partner is disregarded and only fifty percent of any private pension should be taken into account. The local authority will take into account 50% of joint savings, therefore to accelerate financial help it is better to have separate single accounts meeting care costs from the account of the person in the care home.

### **What if the home costs more than the local authority is prepared to pay for?**

The local authority will allow the fees to be topped up by a third party who is able to do so over the long term. You are not allowed to top up the fees yourself from capital below the upper capital limit.

### **What happens if I move into a care home independently and run out of money?**

Once your capital reduces to the upper capital limit you can seek local authority assistance. If this is likely you should seek an assessment from the local authority well before your capital falls to this threshold. In these circumstances you may find that the home costs more than the local authority usually pays and, if it won't reduce its fees to the local authority rate, you may have to find a source of top-up or seek less expensive accommodation.

Our Advice Line team and specialist care fees advisers can answer any other queries you may have.

## What's the next step?

So that your local adviser can begin to guide you through your options, you will need to provide some information by completing the attached questionnaire. Alternatively, you can simply call our Advice Line on **0800 99 88 33** and our Advice Line team can help you to complete the questionnaire, or complete it on your behalf with the information you provide. Further information and a copy of the questionnaire can also be found on our website at [www.nhfa.co.uk](http://www.nhfa.co.uk).

### Once you have completed the questionnaire:

- ◆ Your local care fees adviser will contact you to discuss your personal circumstances
- ◆ You will receive a report explaining your entitlements to state help and your options for paying care fees
- ◆ Your adviser will discuss the options listed in the report and his/her recommendations. You are never under any obligation to follow any recommendations
- ◆ You will continue to have access to NHFA's advisory services throughout the period of care.

No single insurance company will pay the best rates for all applicants: seek independent specialist financial advice.

## Questionnaire

*Strictly private & confidential.* If you require assistance when completing this form, please call **0800 99 88 33\***

### Your contact details:

Name .....

Address .....

.....

Telephone number .....

### Client's details (person requiring care if different from above)

Name .....

Address .....

.....

What relation is the client to you?.....

Marital status of client ..... Client's date of birth.....

Does the client own a property?  Yes  No

Total capital & savings (excluding primary residence) £.....

### Care information

Care home name or provider's address .....

.....

### Legal arrangements

Is an Enduring/Lasting Power of Attorney or EPA  Yes  No

Deputyship Order held? LPA  Yes  No

DO  Yes  No

Send this completed questionnaire to NHFA, Freepost SCE12765, Eynsham, Oxford, OX29 4BR.

\* For quality purposes calls may be monitored and/or recorded. Opening hours Mon-Fri 8am-7pm Sat 8am-2pm. Please ensure that you complete both sides of this questionnaire

## Questionnaire cont'd

### Important information

To be read and signed by the client or their legally appointed representative only

### Personal data

I/we declare and agree with the statements below:

To enable NHFA to conform with the Data Protection Act 1998 I/we agree that NHFA may use the information I/we have supplied to make recommendations and administer my/our application (should I/we decide to apply for investment products).

Any personal information I/we provide will be treated as private and confidential, and held and processed, on computer or otherwise, by NHFA as a result of my/our application (whether or not it proceeds) or any subsequent agreement.

NHFA may analyse the information they hold about me/us to help them improve their service to me/us, to monitor their business and for market research so they may identify any products or services which may be of interest to me/us. From time to time NHFA, its associated companies and carefully selected third parties may then contact me by letter, telephone, email or other appropriate means with offers reflecting my preferences.

By completing this documentation you will be consenting to the use of your information to contact you about such offers unless you tick this box to indicate that you do not wish to receive such information

I/we declare that the statements and particulars given in this questionnaire are, to the best of my/our knowledge and belief, true and complete.

I/we hereby authorise you to disclose and discuss with the following person, any information or correspondence that may arise from my/our enquiry

.....

I have legal authority to discuss affairs relating to the client.

Signature ..... Date .....

Signature ..... Date .....

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For further information call the NHFA care advice line on **0800 99 88 33**  
**or visit [www.nhfa.co.uk](http://www.nhfa.co.uk)**

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Opening hours Mon - Fri 8am-7pm, except Bank Holidays, Sat 8am-2pm



**NHFA, St Leonards House, Mill Street, Eynsham, Oxfordshire, OX29 4JX**

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