

## Post Christmas Rush for Care

The NHFA advice line is gearing up to handle the usual post Christmas rush of calls. In January and February 2004 the rate of enquiries to the advice line over doubled. Families of older people get together at Christmas and come to the realisation that their older relatives' health has deteriorated and they may need care. Around 70,000 people<sup>1</sup> every year have no choice but to sell their family home to finance their own care costs and with nursing home places currently costing around £26,000<sup>2</sup> a year this money can quickly diminish.

**At this difficult time it's essential families seek advice. As local authorities begin to tighten up on their spending many older people will miss out unless they know what they are rightfully entitled to.**

### Did You Know?

If you are self-funding your care you should 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. **Saving around £3,000 per annum.**

### Did You Know?

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. **Saving approximately £3,000**

### Did You Know?

If you move into a care home and your property is left empty then you should receive full exemption from Council Tax until it's sold **Saving 100% Council Tax**

### Did You Know?

After 12 weeks, 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 can also claim Pension Credit with Attendance Allowance **Saving up to £70.00 per week**

## Did You Know?

The NHS will make a contribution towards your nursing home fees and even if you are only staying for a short respite period. **Saving up to £125 per week.**

## Did You Know?

If your care needs are primarily health care needs you may be entitled to full NHS funding under your local health authority's continuing care eligibility criteria **Saving around £26,000 per annum**

## Did You Know?

The local authority only has the right to financially assess the member of a couple that requires the care. Care Home residents who are paying for their accommodation from joint savings with a partner at home, should split joint accounts into separate single accounts to benefit from State assistance earlier 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 ½ = £19,500  
Resident eligible to State assistance after £20,000 paid

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

## Did You Know?

If your partner needs to move in to a care home and you change 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. **Saving 50% of the value of your home.**

## Did You Know?

If an older person that requires care because they are mentally ill and they have previously been admitted to hospital under Section 3 of the Mental health Act 1983 they should be entitled to Section 117 aftercare under the same act which can include full funding for a care home place. **Saving around £26,000 per annum.**

## Did You Know?

If you choose a care home you cannot afford over the long term there is a danger that your local authority will not fully fund the care you have chosen and you may find yourself having to move to cheaper accommodation or asking the family to top-up. Instead, you can cap the cost of your care by purchasing an Immediate Need Care Fee Payment Plan<sup>3</sup> to meet care costs for life. Using up only part of your capital to purchase a plan means the balance of your Estate can be safely invested for growth. **Saving your children's inheritance.**

## 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 and health authority charging and assessment procedures, DWP benefits and legal matters. NHFA aims 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 factsheets 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**

Ends

### Notes for Editors

#### Case Studies available

<sup>1</sup> Source Liberal Democrats Source Laing and Buisson

<sup>2</sup> Source Laing and Buisson

<sup>3</sup> Immediate Need Care Fee Payment Plans deliver a regular guaranteed tax-free income higher than can normally be achieved from traditional investments or annuities. They are a way of guaranteeing that care costs can be met for life and, as so many older people wish, enabling the remainder of the Estate to be left as an inheritance for the family. **Although there are only a few companies that offer this product their actuarial view of life expectancy can be quite varied and, consequently so can the product price.** To combat this NHFA uses a common application form / health questionnaire submitted to all companies.

#### Sample Immediate Need Care Fee Payment Plan Prices

Gender (M or F)	F	M	M	F
Date of Birth	25/01/1910	11/08/1920	01/01/1915	14/04/1908
Plan Income PCM (£) escalating by 5% pa	750	971	900	953
Health Impairment	Heart Disease	Dementia	Dementia & Stroke	Dementia & Stroke
ADL Failures				
Dressing	✓	✓	✓	✓
Bathing	✓	✓	✓	✓
Feeding		✓	✓	
Toileting	✓		✓	✓
Mobility	✓	✓	✓	✓
Cognitive impairment		✓	✓	✓
Company Offers (£)				
PPP	37.444	40.504	22.914	42.412
NU	37.152	71.132	41.643	43.955
PAFS	32.804	65.897	28.556	47.154
GE LIFE	49.061	72.182	40.246	33.452

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