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Adult Children with Elderly Parents Needing Care

Adult children with elderly parents should be prepared for the possibility of them needing care in the future.

Having been through school, university, bought up children, put them through university and many years of working, it's time to think about relaxing.... but can we if we have elderly parents? One in five British adults have elderly parents who require care and assistance and one in four of those aged over 65 will require some form of Long Term Care². In fact almost everyone in the UK will either need care or become a carer, according to health think-tank the King's Fund, and others including Age Concern and Help the Aged.

But despite this, most adult children are in denial about their parents ever needing care. Care homes are a subject that's just too taboo for them and/or their parents to even think about. So when mum does suddenly have a fall or stroke, or her dementia has reached the stage where she just can't safely live at home, where do they turn? The present system of paying for care is governed by a labyrinth of legislation guidance and rulings dating back to 1948 and is rife with inconsistencies when determining who pays for what. Callers to the NHFA Care Advice Line are clearly ill prepared for what to expect, many missing out on funding or support they could get if they were in the know.

For both adult children and their parents, moving into a care home can be an incredibly emotional and stressful time. On the one hand wanting the best care possible for mum, on the other may be feeling guilty for not providing it. And then there's the money. Mum wanted to leave her house to her children but it looks like it's going to go in care fees.

NHFA Care Fees Advice by unraveling who pays or who is responsible for what takes a lot of the worry out of paying for care. Top Ten Tips:

- 1 **Attendance Allowance** is a non-means tested, non-taxable DWP benefit paid weekly at the lower rate of £43.15 if care is needed by day or night or at the higher rate of £64.50 if needed by day and night. *Saving up to £3,354 pa.*
- 2 **Twelve Week Property Disregard and Deferred Loan Agreements** The local authority must disregard the value of your home for the first 12 weeks of residential care and contribute towards your care fees if your other capital is below £21,500. *Saving approx £3,500*

- 3 **Council Tax Exemption** - If you move into a care home and nobody is living in your previous home, the property should receive full exemption from Council Tax until it's sold. *Saving your Council Tax*
- 4 **Pension Credit** - Subject to other income and capital, Pension Credit (including severe disability addition) with Attendance Allowance can be claimed whilst your property is on the market. *Saving £167.50 pw*
- 5 **NHS Funding in Nursing Homes** – The NHS will pay a Registered Nursing Care Contribution (RNCC) towards nursing home fees, even if in a nursing home for short respite periods or, you could get full NHS funding for nursing home fees if you meet the health authority's eligibility criteria for continuing care. *Saving up to £139 pw for RNCC or the full cost of care for NHS Continuing Care.*
- 6 **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 partner at home, should split joint accounts into separate single accounts drawing the care home fees from the account of the person in care only. Thus ensuring State assistance arrives earlier than if depleting joint capital. *Saving your partner's savings.*
- 7 **Enduring Power Of Attorney** - Drawing up an enduring power of attorney when fit and well, for the sake of paying a solicitor a small fee, could save a lot of expense and complications if in the future you were unable to cope with your own affairs and had to involve the Court of Protection. *Saving the cost and complications of dealing with the Court of Protection*
- 8 **Section 117 After Care** – Older people with mental illness who are admitted to hospital under Sections 3 of the Mental Health Act 1983 for assessment and treatment are, on discharge, entitled to Section 117 aftercare under the same Act. This can include full funding for a care home place. *Saving the full cost of care.*
- 9 **Immediate Need Care Fee Payment Plans** – Designed for older people with an immediate need for care, can deliver a regular guaranteed tax-free monthly income higher than can normally be achieved from traditional investments or annuities. Paid tax-free if direct to the care provider, they are a way of capping and meeting the initial cost of care to the cost of the plan for as long as care is needed. Normally requiring only part of the proceeds from selling a home⁴, they enable older people to fulfill their wish of leaving an inheritance for the family. *Saving an inheritance and capping the cost of care*
- 10 **Investment Bonds** - that contain an element of life insurance, usually 1% of the value of the fund, as a death benefit are currently disregarded in the means tests for both care and pension credit.³ *Saving your savings*

And finally

Families should be encouraged to seek advice. Funding long-term care is a complex area and, as the OFT and others have reported, advice and information at this difficult time is not readily available. Even when you might think all is sorted out, circumstances can change and so does the funding. A specialist care fees adviser such as NHFA Care Fees Advice can advise on all these issues making the whole journey for the whole family that much easier. Free Long Term Care Guides and advice are available from **NHFA Care Advice 0800 99 88 33, website www.nhfa.co.uk**

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Notes for Editors

¹Liverpool Victoria Research Sept 2006.

²Wanless Report 2006

³ Investment bonds are currently disregarded capital in the Charging for Residential Care Guidance (CRAG) used by local authorities. There is no guarantee that this anomaly will continue and CRAG will not be amended in the future.

⁴ Sample Care Fee Payment Plan Table

Sample Immediate Need Care Fee Payment Plan Prices

Gender (M or F)	F	M	F
Date of Birth	25/01/1910	01/01/1915	14/04/1908
Plan Monthly Income (£) escalating by 5% pa	750	900	953
Health Impairment	Heart Disease	Dementia & Stroke	Dementia & Stroke
Activities of Daily Living unable to be performed			
Dressing	✓	✓	✓
Bathing	✓	✓	✓
Feeding		✓	
Toileting	✓	✓	✓
Mobility	✓	✓	✓
Cognitive impairment		✓	✓
Premiums (£)			
AXA PPP	37,444	22,914	42,412
Partnership Ass	32,804	28,556	47,154
GE LIFE	49,061	40,246	33,452

Source: Insurance company quotes compiled by NHFA Care Fees Advice
0800 99 88 33 www.nhfa.co.uk

Further information from Philip Spiers or Paul Loom NHFA Care Fees Advice 01865 733000

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