

## NHFA Top Ten Tips

The need for care can suddenly arise and many older people and their families and carers not familiar with our care system, find themselves in a situation of which they have little or no knowledge. 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 which 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 people are truly entitled to and we encourage anyone entering into care to contact NHFA Care Fees Advice for impartial guidance.”

Follows are a number of simple points that may be helpful to families 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 £43.15 if you need care by day or night and the higher rate of £64.50 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 £21,500. 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 and Continuing Care Funding 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 £101 per week.** If you are in need of intensive nursing care check to make sure you 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 your 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	17,000	8,500	-
	<b>43,000</b>	<b>21,500</b>	<b>30,000</b>
Divided by $\frac{1}{2} = £21,500$			
Resident eligible to State assistance after £17,000 paid		Resident eligible to State assistance after £8,500 paid ( <b>Saving of £8,500</b> )	

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. **Lasting Power Of Attorney** Consider drawing up a lasting power of attorney when you are fit and well. For the sake of paying a solicitor a 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 £21,500) 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 of the Mental Health Act 1983 for assessment and treatment. 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 three 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 Plan Prices			
Gender (M or F)	F	F	M
Date of Birth dd/mm/yy	22/01/20	23/2/10	5/1/13
Plan Income Per Calendar Month (£) increasing at 5% pa compound	980	2640	1850
Medical Condition	Dementia and Stroke	Stroke	Heart
Activity of Daily Living Failures			
Dressing	yes	yes	yes
Bathing	yes	yes	-
Feeding	yes	yes	yes
Toileting	yes	yes	yes
Mobility	yes	yes	yes
Cognitive	yes	-	yes
Company Offers - Income escalating @ 5% PA compound (£)			
AXA PPP	43,536	105,661	77135
Partnership Assurance	58,783	104,651	72843
Tomorrow	80,523	94,152	86063

These figures will vary according to individual circumstances.  
Source: Insurance company quotes compiled by NHFA Care Advice.

**And finally, take specialist advice**  
NHFA Care Advice Line 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 Free 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)

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