

# Springcare Guide to Paying for Care

## Introduction

There are many things to consider when making a decision to move yourself or a family member into a care home. One of the biggest considerations is how to pay for care. The following pages will help you understand the costs involved when moving into a care home, your options for payment, and what you need to consider more generally. Of course, there's nothing quite like talking your options through with someone. So, we have also provided a list of organisations that offer financial advice, as well as others that provide emotional support, which you will find at the end of this guide.

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## Understanding care home costs

### 1. Finding out exactly what care you need is key to understanding the financial plan.

'How much do care homes cost?' and 'What exactly will I be paying for?' are likely to be two of your first questions. The answer to these questions depends on a variety of factors, such as where you live and the level of care you need.

How much care you need affects how much you will pay. If you need 24 hour care you are likely to pay more than someone who is largely independent. Care needs are determined by an assessment that would take place at your home or at the hospital you are staying in.

### 2. What is the maximum capital limit for local authority funding where I live?

Many people are eligible to have at least some of their care home costs paid for by their local authority. This largely depends on how much capital you have (such as savings or property ownership) and where you live in the UK.

It is likely you will need to pay at least some of your care costs yourself if you have savings or own property above the value of:

- £23,250 in England
- £30,000 in Wales
- £26,500 in Scotland.

### 3. Find out how much your chosen care home charges

Each care home will have a slightly different price plan depending on the types of care offered and lifestyle factors, such as room sizes, physical surroundings and activities that are available. you will need to check exactly what your fees cover. By law, accommodation, meals and laundry will be included in fees but other services, such as private chiropody services or hairdressing can be charged as an extra cost depending on the care home's individual pricing policy. Any good care home will be able to list such extra costs for you if you request them so that there are no surprising bills to pay. This is how we operate at Springcare and costs are explained from the outset.

#### Annual Fee Increase

Care home may review their fees annually taking into account RPI (retail Price index) and inflation, as well as any known changes in regulation costs, pensions, living wage etc

#### Funding your care

It is likely that you will be responsible for paying at least some of your care home costs. however, it is possible that the NHS or your local authority will cover some or all of the fees.

Here are the main options for funding your care; we will take you through how funding is decided in the next section.

There are four main options when it comes to paying for care:

- You can get support from your local authority.
- You can self-fund your care.
- You can top up the funding provided by your local authority.
- You can be eligible for NHS funding for continuing healthcare if you have particularly severe or complex needs related to health issues.

#### Your Local Authority

If you are assessed as needing care, your local authority may pay for some or all of your care costs depending on how much capital you possess. To determine how much they might contribute, your local authority must carry out a financial assessment. This assessment is free and is at your request.

## Self- Funding

You can choose to pay for your own care in full, which is known as self-funding. There are several things to bear in mind when selecting this option, such as the value of seeking independent financial advice to help plan how best to spend your money, how long it will last and how to set aside some savings. This will allow you to plan for longer-term financial security when paying care fees.

It is also worth taking up a financial assessment from the local authority, even if you are certain you will not qualify for local authority support. This, in part, is so that you do not miss out on any assistance you may be eligible for, but also because these assessments should help you determine what kind of care you need, and therefore can be very useful when it comes to selecting your care home. Asking for a financial assessment will also facilitate getting help in the future if you need to ask the local authority for support should your financial position change.

During your financial assessment, do ask about benefits that you may be eligible for. Even when you are funding your own care, you or your family may still be entitled to other benefits, so be sure to claim them.

## Top-Ups

If you are eligible for local authority funding, it is often the case that their support does not quite cover the costs of your preferred care home. This does not mean you have to pick somewhere else. A third party for example, a son, daughter or friend can opt to 'top-up' the amount the local authority will pay in order to make up the difference, enabling you to go to the care home of your choice.

Some local authorities are reluctant to allow people to choose homes that require top-ups and may only offer a list of homes at the maximum price they want to pay, and in some instances may only offer one home. However, legislation is absolutely clear that you have the right to choose a home that requires a top-up if you wish to do so, just as you have the right to insist that the local authority finds you a care home that does not require a top-up.

## NHS Continuing Healthcare

If you have particularly severe or complex needs related to health issues you may be eligible for NHS continuing healthcare. This service is fully funded by the NHS and will cover all your care fees (it can also be used to cover the cost of care in the community).

An assessment carried out by NHS and social care staff will determine whether you qualify for the continuing healthcare service. Looking at the nature of your medical issues, it assesses the complexity and intensity of the needs that result. You will only qualify for continuing healthcare funding if the assessment concludes that you have needs related to primary healthcare issues that are best treated outside hospital and that your needs warrant it. For example, dementia as a condition does not qualify for continuing healthcare funding but needs associated with cognitive sensory loss or behavioural problems will contribute to qualification if they are linked with other needs based on health issues.

If you are eligible for continuing healthcare funding you will need to bear in mind that the service is not awarded on a permanent basis. Regular reassessments will determine whether you will continue to receive funding.

### Financial assessment

A financial assessment will establish whether your local authority will contribute to your care costs. If the answer is yes, it will also establish how much you will receive. It is carried out by your local authority, the assessment divides your finances into two categories, income and capital.

Your income is defined as any money you receive on a regular basis, irrespective of the period between payments (weekly and annual sums would be both counted). This includes any benefits you claim, as well as your pension (state, occupational and personal pensions all count) and any allowances you receive.

Your capital is your savings and any investments or property that you own. It does not include your personal possessions smaller but valuable assets such as jewellery would not be counted as capital. These definitions aren't absolute –income can become capital and vice versa in certain situations.

Say you do not spend all of your monthly pension allowance, what is left over will often turn into capital. If you are a couple, only assets in your own name should be counted as part of your capital. anything held jointly, such as your home or joint savings, will be treated as equally split between you.

If you and your partner have £50,000 in a joint savings account, your financial assessment will treat this as £25,000 each, unless you can show any reason why this should be divided differently. This remains true even if you and your partner both choose to go into a care home at the same time. You will each receive your own individual financial assessment and you will each have a full upper limit of capital before you need to contribute to your fees.

To arrange your financial assessment, simply contact your local authority. you will usually need to undergo a 'needs' or 'community care' assessment beforehand, which will ascertain what type and level of care you need. The financial assessment is free and it establishes who will pay for what aspects of your care.

If you need to go into a care home at short notice the assessment might not take place before you move. If this happens, you will be charged a 'reasonable rate' for care home fees until the assessment takes place. Once it has been completed, any over- or under-paying will be corrected.

### Will I have to sell my home?

A question that often gets asked is whether you will have to sell your house to pay for your care. During the financial assessment your assets will be judged on their current market value, your home included. In today's financial climate, owning your own home is almost certain to guarantee you are above the upper capital limit for local authority funding, which will therefore make you responsible for paying for

aspects of your own care. Undergoing the financial assessment is necessary to confirm this.

This doesn't necessarily mean you will need to sell your home, but it does depend on any additional capital or assets you may have to fund your care. If you do not have the means to cover the costs of the care you require, selling your property will be one of the potential solutions.

An alternative is renting out your home, which will allow you to keep your property and generate the income you need to support your care. Some local authorities and some of the organisations listed at the end of this guide can help you with this process. You will still be responsible for the upkeep of the property, which could act as a drain on your finances. You would also need to ensure that the rent is sufficient to cover your care fees.

You may also be offered the alternative of deferred payment by your local authority, where the costs of your home are not taken into account until your death. Some care homes operate their own deferred schemes where you can accrue your fees against the value of your home until it is sold, this often involves placing a voluntary charge against your property so that once it is sold your fees will be repaid from the sale. You will need to check carefully the details of these schemes.

You will not necessarily be expected to sell your home or to come up with an alternative such as renting it out. If you are the joint owner of your home, only your share of the property will be counted as part of your capital. Your ability to sell it is factored into this, so if the other owner is either unable or unwilling to sell, this means it may add very little capital to your financial assessment immediately, although this situation changes in the event of your death or the death of the co-owner of the house.

This is a complicated area, which you should explore in discussions of your financial assessment, and where there is a strong case for taking independent financial advice. Additionally, your house is not immediately counted as part of your capital if certain people still live there besides your spouse or partner, including:

- A child under 16 for whom you are responsible
- A close relative aged 60 or above
- A close relative under 60 years old and incapacitated.

This is not an exhaustive list, so if you have someone else living with you, talk to your local authority about other inhabitants who may affect whether or not your home is classed as capital.

## Benefits and pensions

### Pensions

Your pension and any benefits you are entitled to are another important aspect of your financial planning. The first thing to be aware of is that your pension is not affected by moving into a care home. However, your pension will usually be counted

as part of your income, which means it can affect how much money you will receive towards your care costs from your local authority.

## Benefits

With regards to your benefits, you will be expected to continue to claim most of those you are currently claiming. However, entitlement to some benefits change if you move into a care home.

If you currently receive attendance allowance, in most cases this will stop within four weeks of moving into a care home provided your local authority has arranged for, or is contributing towards, your care.

If you are paying for your own care, this allowance will normally continue. The same is true of the care component of Disability Living Allowance.

Housing and council tax benefits usually stop once you move into a care home. If you have a partner who used to claim these in your name, they will now need to claim them in their own.

Exactly what benefits you are entitled to and how they affect your financial assessment can vary considerably depending on your personal circumstances. It is a good idea to seek advice and you will find a list of organisations that can help at the end of this guide.

## Lasting Power of Attorney

Lasting Power of Attorney (LPA) allows a selected person (or persons) to make decisions on your behalf in the event that you are not mentally or physically able to do so. Arrangements for LPA vary across the UK, though the principles are broadly similar.

To arrange LPA in England, you need sufficient mental capacity to be able to make sound decisions so it is a sensible precaution to arrange this while you are well, even if you don't foresee any issues in the future.

There are two types of LPA. You can arrange one or both:

### Health and Welfare LPA

This kind of LPA allows your chosen attorney to make decisions about your medical care and treatment options, moving into a care home and your day-to-day routine, such as dressing and eating. It is designed to help people who have lost the capacity to make such decisions, usually through dementia.

### Property and Financial Affairs LPA

This type of LPA gives your chosen attorney power to make decisions about your property, such as selling your home, and any financial issues, such as bill payments or managing your bank account. This is also designed to help people living with

dementia, but it may also be helpful for people who do not wish to take on these sometimes difficult and time-consuming tasks.

### Who can I give LPA to?

You are free to choose from a wide range of people, including family, friends or independent advocates, but there are restrictions. Whoever you appoint must be over 18, in good mental health and, if they are to be in charge of a property and affairs LPA, they must be financially solvent. They must also consent to take on the role and the responsibilities that follow.

You can also appoint more than one attorney if you choose. If you do so, you can request that all actions require each attorney's signature, or just one of them. You can apply this as a blanket rule across all decisions, or to individual circumstances so you might request that any decisions regarding your medical care require the signature of all attorneys, while decisions about bill payments need the signature of just one.

### How do I appoint an LPA ?

You can appoint LPA's through the Office of the Public guardian. First choose your attorney (s) then fill in the forms before registering your LPA's with the Office of the Public guardian. The whole process can take up to ten weeks contact website [www.gov.uk](http://www.gov.uk)

### Who to contact for advice ?

Working out how to pay for your care home can be complicated, but there are plenty of organisations to turn to for financial advice. for additional support, such as help selecting your care home or knowing whether an LPA is right for you.

You will find the contact details for some of these organisations below:

#### Age UK

[www.ageuk.org.uk](http://www.ageuk.org.uk)

Age UK is a charity that aims to help people navigate ageing. it provides advice on a range of subjects, including money and health. it has offices across the UK

Phone: 0800 169 80 80

Email: [contact@ageuk.org.uk](mailto:contact@ageuk.org.uk)

Address: Tavis house, 1-6 Tavistock Square, London, WC1H 9NA

Cheshire: 01606 881660, Shropshire: 01743 233123, Wirral: 0151 482 3456

#### Citizens Advice Bureau

[www.citizensadvice.org.uk/consumer](http://www.citizensadvice.org.uk/consumer)

This organisation provides free, independent advice. it can help you understand what your financial rights are when moving into a care home.

Phone: 03444 111 444 (England) 03444 77 20 20 (Wales)

Address: citizens advice, 3rd Floor North, 200 Aldersgate, London, EC1A 4HD

### Carers UK

This organisation provides free advice on benefits, financial rights, avoiding debt, scams etc

[www.carersuk.org](http://www.carersuk.org)

Phone: 020 7378 4999