



Putting People First Transforming Adult Social Care



Paying for Long Term Care in England

The information here has been developed by a group of public organisations and charities to help people make better and more informed decisions about paying for care and to encourage people to get information and advice about the use of their money in this regard.

One in four of us may need long term care or support but few of us like to think about it until it happens. Care can involve help in your own home as well as residential or nursing care homes. If you, or a member of your family, need care and support now or in the future there are a number of important things you need to consider.

The following is intended to help you get information and advice in relation to your personal finances and how to pay for care if you:

- Are planning for retirement
- Are an older person considering getting help with care and support for yourself
- Have a need to fund care immediately
- Are a family member, a carer or have Power of Attorney of somebody needing to fund their care
- Have an adult child with disabilities and want to ensure they have financial security after you die
- Are disabled and want to plan your financial future to make the best use of compensation payments or if you think your ability to work and support yourself financially may lessen over time.

How do you pay for long-term care?

Before you think about the likely costs of any care and support, it is important that you get information and advice about the options open to you, both regarding the type of services that might suit you, and also whether your local council might contribute to the costs. If you don't you may make poor decisions about either the care you organise or about how you pay for it or both.

If you need 'nursing care' you may be entitled to funding from the NHS for all or part of the cost, you should ask your local social services, hospital or GP whether you would be entitled to this.

There are different ways to pay for long-term care.

If you need care and support immediately or in the near future:

- Always first check with your local Council about any support they give. The Council's social services will assess your care needs and those of your carers.
- If your circumstances meet the conditions for support and you wish the council to pay towards the cost of services, they will then assess your income and capital such as savings. If your capital and income are below certain levels (locally set if you continue living in your own home, but nationally set if you decide to move into residential care) then the Council will pay some or all of your long-term care costs. (If you are not happy with the decision you can appeal – information is available about how to do this).
- The Council will also be able to help you with information about the choices you have for meeting your care needs and how to arrange care. Many people wrongly assume that they will need residential care whereas there may be options available to stay at home.
- Your local Council and your GP or other NHS services can also offer some people help to try to regain their ability to manage more independently through the use of equipment or adaptations to your home, or through programmes of rehabilitation. You should ask about this.
- Also check what benefits you are entitled to. Not all benefits are means tested and you may qualify for Disability Living Allowance if you are under 65 or Attendance Allowance if you are over 65. Attendance Allowance cannot normally be paid if social services or the NHS are funding your care in a care home.

Although social security benefits are the same throughout the England, other help provided by local authorities varies. So do check what your local authority offers.

If you don't qualify for financial help from the Council, you will normally have to pay the cost of care out of your own income and savings. If you move into residential care, the value of

your home if you own one, will be taken into account and charge may be made on the property when you sell it (though this doesn't necessarily have to take place immediately if you don't wish it).

It is important to make sure you find out as much as possible before making care funding decisions.

There is a range of **information** to help you understand the way in which care can be funded and the other issues to consider in relation to your individual situation. You may then wish to take specialist financial **advice** before making any decisions.

Information

You can find out more information for immediate or future needs from:

The MoneymadeclearTM service, from the Consumer Financial Education Body (CFEB), offers impartial information and guidance about your money to help you work out what's right for you. Long-term care made clear

http://www.moneymadeclear.org.uk/products/long_term_care/long-term_care.html explains what options may be available and what you should think about before making a decision.

CFEB is an independent body established by the Financial Services Authority in April 2010. Visit <http://www.moneymadeclear.org.uk/> for a wealth of information and interactive tools to help people make informed decisions about money.

There are a number of other sources of information on paying for care, including:

National Savings and Investments

www.nsandi.com/youandyourmoney/features/late%20life/When_you_or_a_family_member_needs_care

Both of the above offer general impartial information specifically related to your money.

There are many other sources of financial information. You should satisfy yourself that it meets your needs. If you access information from banks or from insurers or other organisations of that nature, they may be giving you information to persuade you to buy their products. They should tell you if they are **giving you information just about their own products and no others**.

Getting Advice that's right for you

It is sensible if you have savings, property or a payment you want to invest to get independent financial advice.

When you choose a financial adviser, there are a number of things to consider as you will be trusting them to give you advice about one of the most important decisions you may ever make. This checklist will help you.

- You should find out if they are qualified and accredited to give you advice. Later Life Advisers specialise in the financial needs of older people. Those advisers who have taken steps to become independently accredited can offer added reassurance that they offer the practical help and guidance needed to make the right decisions at the right time.

(The Later Life Adviser Accreditation Scheme has been developed by the standard-setting body the Financial Services Skills Council (FSSC) in collaboration with the specialist financial services consultancy SVARfair. To find out more about the scheme go to http://fssc.org.uk/41_18.html?i=2?i=1)

- Ask how the advice will be paid for and how independent it is.

There are three main ways of paying for advice.

- a. **Fees** – by paying the adviser a fee, either at an hourly rate or a set fee.
- b. **Commission** – by paying indirectly through commission, which is deducted by the product provider from the product(s) you invest in. As well as the initial commission charged when the product is taken out, there may also be annual commissions, (known as trail commission).
- c. **Fees and commission** – by paying a combination of fees and commission.

Not all advisers offer all three payment options. Make sure the adviser offers the payment option that you want. Ask the adviser to explain what you're paying for, how much it will cost and how you will pay for it. If you want to pay by commission, ask your adviser how this will be calculated and whether this has any effect on the advice you will be given. Make sure you understand and are comfortable with the payment arrangements before proceeding. If you're getting investment advice, ask your adviser if the costs include a review of your investments from time to time or if you must pay for that service separately.

You can access both general information about paying for care and information about accredited financial advisers in your area through the Society of Later Life Advisers (**SOLLA**) www.societyoflaterlifeadvisers.co.uk.

SOLLA was founded in 2008 as a not for profit organisation, to meet the need of consumers, to find accredited advisers who advise in the Later Life market. **The advisers you will find through this route will either work on a fee or a commission basis.**

The MoneymadeclearTM service also gives information about finding independent financial advisers.

Younger Disabled People

Independent information and advice in relation to finances for younger people with disabilities and for parents with adult disabled children is generally more difficult to find but advisers who understand paying for care will be able to help. MoneymadeclearTM is working on producing such information and some SOLLA advisers specialise in this area.

This information has been drafted on behalf of the Putting People First Consortium, the Association of Directors of Adults Social Services and Local Government Improvement and Development with assistance from MoneymadeclearTM

Other sources of information and advice in relation to care and care costs for older people

As well as your local authority you can get hold of information and advice from the following organisations:

Counsel and Care provides independent information and advice for older people and their families about care and support issues – ring Counsel and Care on 0845 300 7585 or visit www.counselandcare.org.uk

Age UK provides independent information and advice on finding and paying for care - ring Age UK Advice on 0800 169 65 65 or visit www.ageuk.org.uk

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