



Paying for Care

Financial advice and
information on funding
full-time residential care





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Paying for Care

Paying for long-term care is a complex subject and many people don't know where to start. As The Orders of St John Care Trust (OSJCT) are a charity working solely to care for older people, we can offer helpful advice and information about all our care services.

Unlike healthcare delivered in the NHS, residential and nursing care for older people is not free for everyone. Exactly how much you might be asked to pay will depend on your individual circumstances. So when it comes to funding care it's a good idea to talk to a specialist Care Fees financial adviser about your care options and how to pay for them – especially if you're keen to stay financially independent.

How much does Residential & Nursing Care cost?

This will vary depending on where you live and the type of care needs you might require.

As one might expect, care costs in the South are higher than those in the North; nursing care costs are higher than those for general residential care.

Factors that impact on care costs include:

- Where you live
- Care and nursing staff salaries in the local area
- New national living wage for employees aged 25 and above

For an independent view of average weekly care fees by region visit:

www.payingforcare.org/care-home-fees

How does care home funding work?

Generally, there are three ways to meet the costs of your care. Both NHS and Local Authority state funding is means tested, based on nationally set guidelines, unlike medical care on the NHS that is free at the point of need. For many people, funding their care is often from a mix of Local Authority funded, personal savings and assets.

1. NHS funded nursing care

In some cases the NHS may be responsible for funding all or part of your care. An assessment will be carried out, under national guidelines, to decide whether this is the case. Even if you are not eligible for fully funded continuing care, you may still get a contribution from the NHS if you need nursing care. This is called Funded Nursing Care (FNC) or the Registered Nursing Care Contribution (RNCC).

FNC and RNCC are the same thing. It's a weekly payment made by the NHS to cover nursing care from a Registered Nurse. FNC is only provided if you need nursing care – and if you're in a care home that can provide nursing care.

To find out more visit the Department of Health website www.dh.gov.uk

2. Local Authority funding

If your care is not considered to be the responsibility of the NHS, then your local authority will assess your care needs as well as your ability to fund them.

Every Local Authority will have helpful information on **health and social care** on their websites:

Gloucestershire	www.gloucestershire.gov.uk
Lincolnshire	www.lincolnshire.gov.uk
Oxfordshire	www.oxfordshire.gov.uk
South Gloucestershire	www.southglos.gov.uk
West Sussex	www.westsussex.gov.uk
Wiltshire	www.wiltshire.gov.uk

Many local authorities will be able to signpost you to other sources of helpful advice on funding for care. Contact the Adult Social Care Financial Assessment team in your area.

In England, your local authority will follow these national guidelines on assessing your total capital* if you have been assessed as needing care in a residential setting:

Total capital below £14,250	Total capital above £14,250 but below £23,250	Total capital above £23,250
<p>You will be entitled to the maximum funding support for your care</p>	<p>The local authority will carry out a financial assessment and assess your specific care needs, working closely with social services, and determine how much financial support you are entitled to.</p> <p>They will also help with the first 12 weeks of care costs.</p>	<p>The Local Authority will not offer financial support with care costs if your capital exceeds £23,250 subject to the note below.</p> <p>The Local Authority will expect you to meet the full cost of your care home placement. This is generally called being a 'self-funder'.</p>

Information correct as of October 2016

*** Your capital** - if you own your own home then the Local Authority will regard this as an 'asset' as part of their means test. This is an assessment of all income and assets, including property, to determine a person's eligibility for financial support.

The Local Authority may disregard the value of the property in its calculation if any of the following conditions apply:

- Your spouse, partner or civil partner still lives at the property
- A relative of yours or a member of your family who is:
 - a) Aged 60 or over living at the property
 - b) Incapacitated or disabled living at the property
 - c) A child of yours under the age of 18 living at the property
- You are in the first 12 weeks of needing permanent care
- The care is being provided on a temporary basis



3. Self-funding

If you're deemed as being not eligible for NHS fully funded care or Local Authority funding, then you'll need to pay for your care yourself. There are several funding options to consider from your income and personal assets.

Income in the form of:

- Pension income and welfare benefits (for example Attendance Allowance, Pension Credit, Winter Fuel Payment and other age related benefits)
- Annuity income
- Rental income
- Investment income

Personal Capital in the form of:

- Savings including ISAs and National Savings Certificates or Savings Bonds
- Stocks and shares
- Property (Note that where your home is your only capital asset and your income is insufficient to fund the care fees, you will need to contact your Local Authority to discuss deferred payment/home loan arrangements until the property is sold)
- Immediate need care fee payment plans and some types of equity release schemes, specifically designed for self-funded care

Ideally, you should seek specialist advice on all of these options.

Capital Assets – your questions answered

Local Authorities take home ownership into account as part of their financial assessment of all income and assets.

Q. Will I have to sell my home?

A. It's true that people who are not able to afford their care from their income do sell their homes to fund living in a care home. That's why we always suggest seeking specialist independent financial advice on all options open to you; for example renting the property may be a possible option worth considering.

Q. How is my income assessed?

A. The Local Authority look at the income only of the person going into care not the income of a spouse, partner or other members of the family.

Q. What gets disregarded in a means test?

A. The most common disregards include Disability Living Allowance, interest from savings, War Widows' special payments, Christmas Bonus, Child Tax Credit or Guardian's Allowance and charitable payments. The values of any personal possessions are also excluded. Your Local Authority will have more information on disregards. AgeUK have a helpful factsheet 10 'Paying for permanent residential care' with more detailed information.

Q. My home is jointly owned – how is this assessed?

A. For jointly owned property, the Local Authority will calculate its present sale value. This means the part you own that could be sold will be taken as the proceeds that will be treated as your assets.

Q. What is deprivation of assets?

A. If your partner or spouse deliberately deprives themselves of their assets, capital or income in order to reduce their standing for the means test, the Local Authority can still step in and make a determination you still have those assets.

Q. What happens if the money to fund my care runs out?

A. If you no longer have the income or capital assets to fund your care, you will most likely need to be reassessed by the Local Authority. If you drop below the threshold of £23,250 you will begin to receive state funded support, subject to the Local Authority having assessed that your care needs should be met in a residential setting.

As it takes time to put new funding arrangements in place in these circumstances, OSJCT ask that you commence discussions with your Local Authority when your assets reach a £30,000 threshold. This will help make the transition from self-funding to Local Authority funding as smooth as possible.

Getting good financial advice

It's a good idea to seek specialist financial advice on the funding of your care given the substantial investment and commitment you will be making. We recommend you contact an independent, accredited Society of Later Life Advisers (SOLLA) financial adviser.

SOLLA promotes comprehensive professional financial advice for older people and their families, particularly in helping people find accredited financial advisers who have been awarded the Later Life Adviser Accreditation (LLAA). SOLLA is a 'not for profit' organisation.

SOLLA accredited Later Life Advisers are specialists in Care Fees financial planning and follow a strict code of conduct. They are completely independent of OSJCT and we receive no financial or other benefits for this recommendation. They offer advice on:

- Equity release
- Long term care funding
- Pensions and annuities
- Investments and savings
- Tax planning (IHT)

Later Life Advisers specialise in the financial needs of older people. Those advisers who have taken the further steps to become independently accredited can offer the added reassurance that they offer the practical help and guidance needed to help you make the right decisions at the right time.

The Later Life Adviser Accreditation (LLAA) is independently audited by the Financial & Legal Skills partnership (FLSP), a Government body.'

FREE ONE HOUR ADVICE

SOLLA advisers can offer one hour's free advice – without any obligation on your part. You can be confident that they have a good working knowledge of your needs and the issues that are often faced in later life.



To find a SOLLA member near you:
Call **0333 2020 454**
Web **www.societyoflaterlifeadvisers.co.uk**

Society of Later Life Advisers, PO Box 590, Sittingbourne, Kent ME10 9EW

The Orders of St John Care Trust, as a leading not-for-profit care provider, are entirely independent of SOLLA. Although we are an affiliate member, we do not receive any commission or income from them, nor do we provide any warranty over any advice and information they provide.

Organise a Lasting Power of Attorney (LPA)

We strongly recommend that you make arrangements to appoint a Lasting Power of Attorney (LPA).

The Government website www.gov.uk has helpful information on how to make and register a Lasting Power of Attorney: www.gov.uk/power-of-attorney/overview

You can apply online to register your LPA with the Office of the Public Guardian.

In England and Wales there are two types of LPA:

- **Health and welfare**
- **Property and financial affairs**

You can choose to make one type or both.

Health and welfare lasting power of attorney

Use this LPA to give an attorney the power to make decisions about things like:

- Your daily routine, e.g. washing, dressing, eating
- Medical care
- Moving into a care home
- Life-sustaining treatment

It can only be used when you're unable to make your own decisions.

Property and financial affairs lasting power of attorney

Use this LPA to give an attorney the power to make decisions about money and property for you at any time, for example:

- Managing a bank or building society account
- Paying bills
- Collecting benefits or a pension
- Selling your home
- Signing contracts

We always recommend appointing a Lasting Power of Attorney within three months of moving into an OSJCT care home. This will enable the people you choose to appoint to make decisions on your behalf (if you become incapable of making them yourself) either about your health and welfare or financial and property matters at any time.

Our home managers can provide further information.

If you don't have an LPA, then the courts will appoint a 'deputy' to act on your behalf or make decisions for you.

Understand our Resident's Contract

It's important to study and understand the contractual terms and conditions of living in one of our care homes before moving in. Make sure you are clear about the fees that you or your relatives will have to pay and the care package you will receive. We require everyone to have a signed contract before coming to live in one of our homes.

Other sources of helpful advice



AgeUK advice line

Useful advice, information and factsheets from the leading charity for the elderly. Call the AgeUK advice line – they're available seven days a week from 8am to 7pm.

Call **0800 169 6565**

Web **www.ageuk.org.uk**

AgeUK factsheets are available to download from their website. Two that are particularly helpful are:

- Factsheet 10 'Paying for permanent residential care'
- Factsheet 38 'Treatment of property in the means test for permanent care home provision'

Health Literature Line

For helpful Department of Health leaflets, including 'NHS Funding Care in Nursing Homes'.

Call **020 7210 4850**

Web **www.dh.gov.uk**

The Relatives & Residents Association

For advice and support to older people in care homes, their relatives and friends.

Call **020 7359 8136**

Web **www.relres.org**

The Relatives & Residents Association, 1 The Ivories, 6-18 Northampton Street, London N1 2HY



EAC FirstStop Advice Service

FirstStop Advice is an independent, impartial and free service offering advice and information to older people and their families about housing and care options for later life.

The service is provided by Elderly Accommodation Counsel (EAC) and their trained advisors give specialist help on any aspect of care, support or housing for elderly people, including financial issues.

EAC FirstStop has a free factsheet "Choosing and paying for a care home" available to download from their website.

Call **0800 377 7070** (Monday– Friday 8am – 6pm) or **020 3519 6002**

Web **www.firststopcareadvice.org.uk**

EAC FirstStop, 3rd Floor, 89 Albert Embankment, London, SE1 7TP

My Care My Home offers elderly people and their families advice about the cost of care and funding options available to them.

Call **0800 731 8470**

Web **www.mycaremyhome.co.uk**



Turn 2 Us Line

Turn2us is a national charity that helps people in financial hardship gain access to welfare benefits, charitable grants and other financial support.



Call **0808 802 2000**

Web **www.turn2us.org.uk**



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