



Long Term Care Planning

Many people are concerned at the prospect of having to spend all their money on paying for care in their old age and leaving their children with little or no inheritance.

Even if leaving an inheritance is not a priority, you may be concerned as to how you may fund your own care, protect your independence and dignity in old age and avoid being a burden on your partner or family.

According to the latest statistics:

- 40,000 homes are sold every year to pay for the costs of care
- The average cost of care in a residential home is around £25,000 per year
- The cost of care in a nursing home is likely to be around £32,000 per year
- 2 hours nursing care a day in your own home costs an average of £8,200 per year
- 1 in 3 women and 1 in 4 men will require some form of long-term care

Local Authority Assistance

If you become unable to look after yourself, and you require care either in your home or in a residential home, your Local Authority will test you to assess your care needs and your financial needs. If you have capital of more than £23,000 (which can include the value of your home), you will not receive any financial help whatsoever from the Local Authority.

Protecting Your Assets

If one of a married couple goes into care, and the other remains living in the house, the local authority disregards the value of the house when assessing the contribution to care fees. There are other limited circumstances where the house may be disregarded.

However, if one of a couple dies and the house passes to the survivor, who then goes into care, the whole of the value of the house will be available to pay for care fees. This can be avoided without affecting the security of either of you, by changing your Wills and by a simple alteration to your title deeds.

If your savings are over £23,000, or £46,000 (at 06.04.09) if jointly held, you will have to pay care fees in full. If one of a couple goes into care, it is often better for their savings to be held separately rather than jointly.

Assets may also be 'protected' by disposing of them, e.g. by gift into trust.

Please speak to one of our specialists in the Wills and Probate Team if you would like to know more about this complex and changing area of law.

See also our guide to 'Saving Care Fees on Your Home'.

Funding Solutions

If you protect your assets against long-term care fees, and in the future you require the local authority's assistance in funding care, you may end up in a care home chosen by the local authority (which will only fund care up to a specified amount per week) and not by you.

You may decide that rather than rely on the local authority, you would prefer to use your assets to fund your own fees in a care home of your choice should the need arise.

There are funding solutions that can help you meet the cost of care, either now or at some point in the future, and preserve the rest of your estate for your beneficiaries.

Please speak to a member of our Wills and Probate Team who can discuss the options available to you.

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This guide is intended for general guidance only and should not be relied upon without detailed legal advice on your specific circumstances, which we will be pleased to provide.

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