

# PAYING FOR LONG-TERM CARE IN ENGLAND



This information has been developed by a group of public organisations and charities to help people make better and more informed decisions about paying for care. It encourages people to get impartial and independent advice about how to use their money.

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**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 information 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 or for 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 help with either all or some of the funding of it from the NHS and 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 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 to residential care this will take account of the value of your home if you own one. A 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 Money Advice Service. The Money Advice Service exists to help you. It offers clear and unbiased money advice and information to help you make the most of your money, whatever your circumstances – and it's free.

The Money Advice Service is independent and unbiased – so it won't recommend any particular products or try to sell you anything. It was set up by government and is funded by a levy on the financial services industry: [www.moneyadvice.org.uk](http://www.moneyadvice.org.uk)

## PAYING FOR LONG-TERM CARE

On the Money Advice Service website you'll find some useful things you may need to think about when paying for long-term care and what options may be available: [http://yourmoney.moneyadvice.org.uk/products/long\\_term\\_care/long-term\\_care.html](http://yourmoney.moneyadvice.org.uk/products/long_term_care/long-term_care.html)

## UNDERSTAND YOUR MONEY IN MINUTES

Whatever your circumstances, the Money Advice Service's online planner, the health check, is a great way to start making the most of your money: <https://healthcheck.moneyadvice.org.uk/>

There are many other sources of financial information. You should satisfy yourself that it meets your needs. You should be careful about any information and advice from banks or insurers. They should tell you if they are giving you information just about their own products and no others. Remember that they want to sell you their products and will give you information to persuade you to buy them.



## 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.

- Ask how independent the advice is. You need the adviser to act in your best interests, not in the interests of people who want to sell you their products.
- The advice will have to be paid for. Ask how, there are three main ways of paying for advice:
  - a) **Fees** – you pay the adviser a fee, either at an hourly rate or a set fee.
  - b) **Commission** – you pay the adviser indirectly. The product provider pays them a commission for the product that you buy. This money is then deducted by the product provider from the amount of money they pay you from the product(s) you invest in. As well as the initial commission charged when the product is taken out, there might 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 and after 2012 the government will stop payments being made through commission. Make sure the adviser offers the payment option that you want and that you compare the cost of different options. Ask the adviser to explain what you're paying for, how much it will cost and how you will pay for it.





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. 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.

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

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.**

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](http://www.societyoflaterlifeadvisers.co.uk)**

The Money Advice Service website also gives you information about finding independent financial advisers: **[www.moneyadvice.org.uk](http://www.moneyadvice.org.uk)**

## 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. The Money Advice Service is working on producing such information and some SOLLA advisers specialise in this area.



This information has been written on behalf of the Think Local, Act Personal Partnership, the Association of Directors of Adults Social Services and Local Government Improvement and Development, with assistance from the Money Advice Service and SOLLA.

**There are other sources of information and advice in relation to care and care costs for older people. As well as your local authority, you can try the following organisations:**

**Society of Later Life Advisers for financial advice on 0845 303 2909**

**Counsel and Care** provides information and advice for older people and their families – ring Counsel and Care on 0845 300 7585 or visit:  
**[www.counselandcare.org.uk](http://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](http://www.ageuk.org.uk)**

**FirstStop** is set up for older people and their families, is led by the Elderly Accommodation Council and funded by government, charities and commercial organisations. It is an independent and free service offering information and advice on housing, and care options including funding advice. You can contact them on **0800 377 7070** or visit:  
**[www.firststopcareadvice.org.uk/finance-advice.aspx](http://www.firststopcareadvice.org.uk/finance-advice.aspx)**

**The Later Life Adviser Accreditation Scheme** has been developed by the standard-setting body the Financial Skills Partnership 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](http://fssc.org.uk/41_18.html?i=2?i=1)**





**Think Local, Act Personal** is a sector-wide commitment to moving forward with personalisation and community-based support, endorsed by organisations comprising representatives from across the social care sector including local government, health, private, independent and community organisations. For a full list of partners visit [www.thinklocalactpersonal.org.uk](http://www.thinklocalactpersonal.org.uk)

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