



CARE HOME FEES

Most of us will be living longer. Good news! Generally it is but sometimes there can be problems associated with poor physical health or loss of mental capacity. This may result in a need for care services in a care home or at home. Often this is an emotionally difficult and stressful time. It can also be costly. It is important to plan for the future here as with other aspects of life. We hope that we can help.

Currently if you have assets valued over £23,000.00 you will not qualify for financial assistance from the Local Authority. This means you will have to pay your own care fees until your capital is less than £23,000.00. It is only when capital falls below £14,000.00 that the full cost is paid by the Local Authority. Income is also taken into account including a “tariff income” which assumes a level of income from capital over £14,000.00.

Most savings/assets are included in a means test but not your home if:

- a spouse/partner still resides there
- any relative over 60 lives there
- a child under 16 lives there
- the care is provided on a temporary basis
- the person is in the first 12 weeks of needing permanent care (where other capital does not exceed £23,000.00)

Currently only the person requiring the care is assessed.

If capital is tied up mainly in a property, the Local Authority may possibly “lend” the money to pay for care through what is called a “Deferred Payments Agreement” which is recouped on eventual sale of the property. Such an arrangement is not guaranteed.

Your home will not be taken away to pay for care.

A misunderstanding about this has brought about a desire for many to protect their home (or other assets) in the hope that they will not be taken into account. Houses/capital have been given away only to get the State to pay care fees.

The Deliberate Deprivation Rules prevent this from succeeding! A Local Authority can recover any sum it pays for care from the person to whom the asset was transferred if the “giving away” was within 6 months of the donor needing funding.

NOTE There is no time limit for a Local Authority on how long after a gift has been made that its value can be taken into account.

It is all very involved and we can give advice to help you understand all the rules in this area.

We can also advise about your options for planning to reduce your possible liability for care fees which should not be looked at in isolation from other considerations such as any likely impact upon inheritance tax.

If you would like advice, please contact Duncan Carter or Martin Hilton on 01228 888 999 or email dcarter@bpkcumbria.co.uk