Benchmark Capital

A Guide to Care Options

For you or your loved ones

Where do I start?

When suddenly faced with a loved one who needs care, making sense of what needs to be done, and who to contact, can be daunting. This guide is designed to help you navigate your way through the process, and help you confidently explore all avenues and options available to you.

The first thing to check is what legal rights are in place. Many people will have a Power of Attorney for if things go wrong – but it is important to check if it is valid, and what power it actually gives you.

A Power of Attorney is a legal document which allows you (the attorney) to act on behalf of someone else (the donor) - in health, welfare and financial matters. The two most common types are:

An Enduring Power of Attorney (EPA)

EPAs could be set up until September 2007 but only cover decisions relating to property and financial affairs.

If the donor loses mental capacity, the attorney can no longer act on their behalf, until the EPA has been registered with the Office of the Public Guardian. If you are an attorney named under an EPA, make sure this is registered as quickly as possible once capacity has been lost, to avoid any delays in looking after the donor's affairs.

A Lasting Power of Attorney (LPA)

LPAs started in October 2007 and there are two types available, both of which must be registered with the Office of the Public Guardian before they can be used.

Property & Financial Affairs LPA

This can be used (with the donor's permission), before capacity is lost.

Health and Welfare LPA

This does not come into effect until the donor has lost mental capacity. This allows you to make, or help make, decisions about the donor's daily routine, where they stay, and also allows you to influence decisions about medical care.

What if there is no Power of Attorney?

The Court of Protection

If a Power of Attorney was not created whilst the donor had capacity, then the person(s) wishing to act on their behalf would have to apply to the Court of Protection for permission to do so. This is called a Deputyship Order.

There are two types of Deputyship Order. One for property & financial affairs and one for personal welfare. Anyone over 18 can apply to be a deputy. The court will decide who should be a deputy for the person concerned. If the application is accepted, the Court of Protection will advise what actions can and cannot be undertaken under the Deputyship Order.

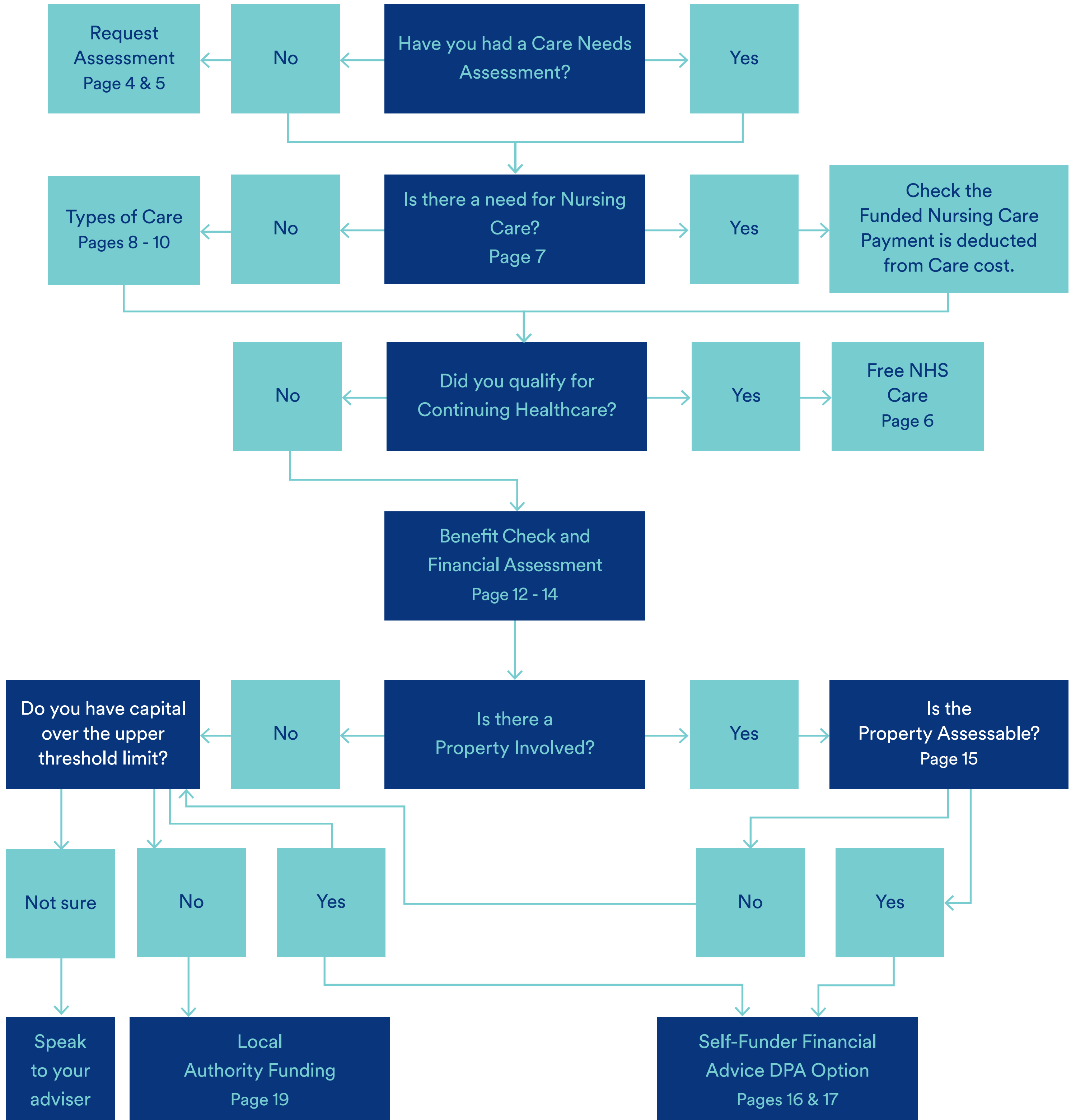
The court could equally decide to appoint a third party, for example a solicitor, if they feel the applicant is not well suited to act on behalf of the person who has lost capacity. There are fees payable to apply to be a deputy. This route can be costly, and will incur supervision fees.

Once you have checked your powers under a Power of Attorney, or have applied for a Deputyship Order, you are ready to begin the process of navigating the care options.

To help with this, we have created a flow chart and have included the page numbers in this brochure to refer to for more information.

What are the next steps?

Follow the arrows to find guidance that applies to you...



What is a Care Needs Assessment?

Local authorities have a legal duty to meet an adult's eligible care needs (subject to their financial circumstances).

The local authority must conduct an assessment to establish a persons needs. When assessing an individual's eligibility for local authority support, the local authority will consider how a person's needs affect their ability to achieve certain outcomes, and how this impacts on their wellbeing. If the local authority agrees that there is a need for care, they will then assess who is liable to pay and how much, but first they must establish the need itself. This process is called the Care Needs Assessment.

An adult will be deemed as having a need for care if:

- Their needs are caused by physical or mental impairment or illness
- They are unable to achieve two or more 'specified outcomes'
- There is, or is likely to be, a significant impact on their well-being as a consequence of not receiving care or support

Examples of 'specified outcomes' include:

- Managing and maintaining nutrition, personal hygiene and toilet needs
- Being appropriately clothed
- Being able to make use of the home safely, and maintaining a habitable environment
- Developing and maintaining family and other personal relationships
- Making use of facilities and services in the local community, such as public transport and recreational facilities

A Care Needs Assessment can be requested from your local authority or through your GP.

Can carers get support too?

Did you know?

Under new guidance, carers may also be eligible for support in their own right. In this case, eligibility for receiving support is assessed on certain aspects of life and the impact these have on the wellbeing of the carer. Consideration is given to issues such as:

Caring Responsibilities for Other People

- Do you have enough time to care for children or other adults who depend on you?
- Support may be available which could free up time for a school run, for example.

Household Chores

- Can you manage to fit these in with your caring responsibilities?
- Support with your own housework, help with gardening or a weekly shop may be available.

Health

- Are you keeping well, and how does caring affect this?
- Support may be available to allow you to recover from illness and injury.

Work, Training and Education

- Does caring have an impact on your job or access to training?
- Additional home help could compliment your current working hours, allow you to take a lunch break or learn a new skill.

Social Life and Personal Time

- Do you get enough time to spend with your family and friends, or to just sleep?
- Respite care may be available so the carer can have a well earned break from their caring duties.

Dealing with Emergencies

- What would happen if you were to become ill or have to go away?
- Contingency support and respite care could be available.

What is NHS Continuing Healthcare?

Part of the Care Needs Assessment involves screening for free NHS care.

People who need care in England, Wales and Northern Ireland may qualify for free NHS care if they have a disability or complex medical needs. This is know as Continuing Healthcare (CHC).

If you qualify for CHC, the NHS should meet the full cost of the care, including any care provided at home, in a nursing home or in a hospice. However, the screening for CHC is quite strict, with simply being frail, for example, not being sufficient to qualify. For this reason, most people with long-term care needs are unlikely to qualify for CHC, but the benefit for those that do is very high.

Eligibility for CHC is not subject to a financial means test, and no personal contribution is needed. Individuals must be aged 18 or over and have a 'primary health need' that has arisen because of a disability, accident or illness.

Although there is no formal legal definition for a primary health need, it means that if a person has health care needs over and above what the local authority can be expected to support, they are deemed as a 'primary health need.' The NHS has a responsibility to provide for those needs, and to fund the necessary care.

A Care Needs Assessment is carried out using a checklist and then considered by a team of professionals.

If you qualify for NHS Continuing Healthcare, you will not have to pay for your care, this is why it is very important to have this Care Needs Assessment done as soon a need for care arises.

If you do not qualify for CHC, be sure to request another screening if there is a decline in health, or if any new medical conditions are diagnosed in the future.

An organisation called Beacon provides free information about NHS Continuing Healthcare.

You can get in touch with them by phoning **0800 548 0300**, or by visiting their website:

www.beaconchc.co.uk

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What is Funded Nursing Care?

Funded Nursing Care is for those who require services provided by a registered nurse.

Even if someone doesn't qualify for NHS Continuing Healthcare, they may qualify for the Funded Nursing Care contribution.

This is a fixed payment, paid directly by the NHS to the care home, to help the care home pay for the provision of a registered nurse. This payment is tax-free and is not means tested.

To be eligible for this contribution, individuals must need nursing care, and must be staying in a care home registered to provide nursing care. The payment is intended to cover:

- Direct nursing tasks
- Planning and supervising
- Monitoring of nursing and healthcare tasks

Although this is a benefit for care homes, it is important to be aware of it. This is because generally when a nursing need arises, the cost of care will increase too. So, if your loved one needs nursing care, check the increase in costs and make sure the care home have adjusted their bill to allow for the contribution they receive from the NHS.

Beacon Helpline: **0800 548 0300**

What types of care are available?

Care can take many different forms, so once you know there is a need for care, what type of care is required, and where can you get it?

Residential Homes

(Referred to as 'care homes without nursing care')

If you are reasonably active, but require some assistance with day to day life, a care home offering personal care may be the best option. Personal care includes bathing, feeding, dressing and help with moving about.

Nursing Homes

(Referred to as 'care homes with nursing care')

If someone has needs that include a medical element, then a care home with registered nursing staff may be required. A nursing home often has a higher staff to resident ratio, and so may be a more suitable option for those with greater needs.

EMI (Elderly Mentally Infirm)

(Referred to as 'care homes with dementia services')

Each person with dementia is unique, with individual emotional, physical and social needs. Meeting these needs with an individually tailored programme enables the person to experience the best possible quality of life. A good care home will follow the concept of a personal approach to caring for people with dementia.

Homes with this status provide specialist care in a secure environment, which may be necessary for some residents with dementia-type behaviours and needs.

If you are researching care homes, it might be helpful to use the Age UK Care Home Checklist, which you can find online at:

www.ageuk.org.uk

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What if I want to stay in my own home?

Care at Home (Domiciliary Care)

For many people it is important to stay at home, in their own surroundings, near to friends and family. At the same time, remaining independent could mean you need a little extra help. Domiciliary care can often be the perfect solution to getting a little help, whilst retaining a good level of personal freedom and independence.

The frequency and nature of home care can be tailored to meet your requirements, from a visit once a day to check all is well, to a much more comprehensive form of help. Home care agencies can help with personal care such as washing and dressing, and some can even provide 'live-in' care, where a carer will live with you at home to support you throughout the day and night.

If you want to arrange home care privately it is worth considering the benefits of arranging this through a regulated agency. Using a regulated agency means that:

- They assess your care needs and tailor a plan to meet those needs
- They advertise, interview and screen the suitability of their carers
- They provide training and development for their carers
- They manage the carer's wages and holidays
- They manage employment relationships, including sickness and disciplinary matters

Are there any other options?

Live-in Care

If your loved one requires care around the clock but would like to remain in their own home, 24-hour live-in care may be a suitable support system for them. It is understandable that most people would prefer to live in their own home rather than move into a care or nursing home but, if your relative is feeling increasingly isolated or lonely, then this will have to be considered alongside their physical needs, and a care home may be the better option.

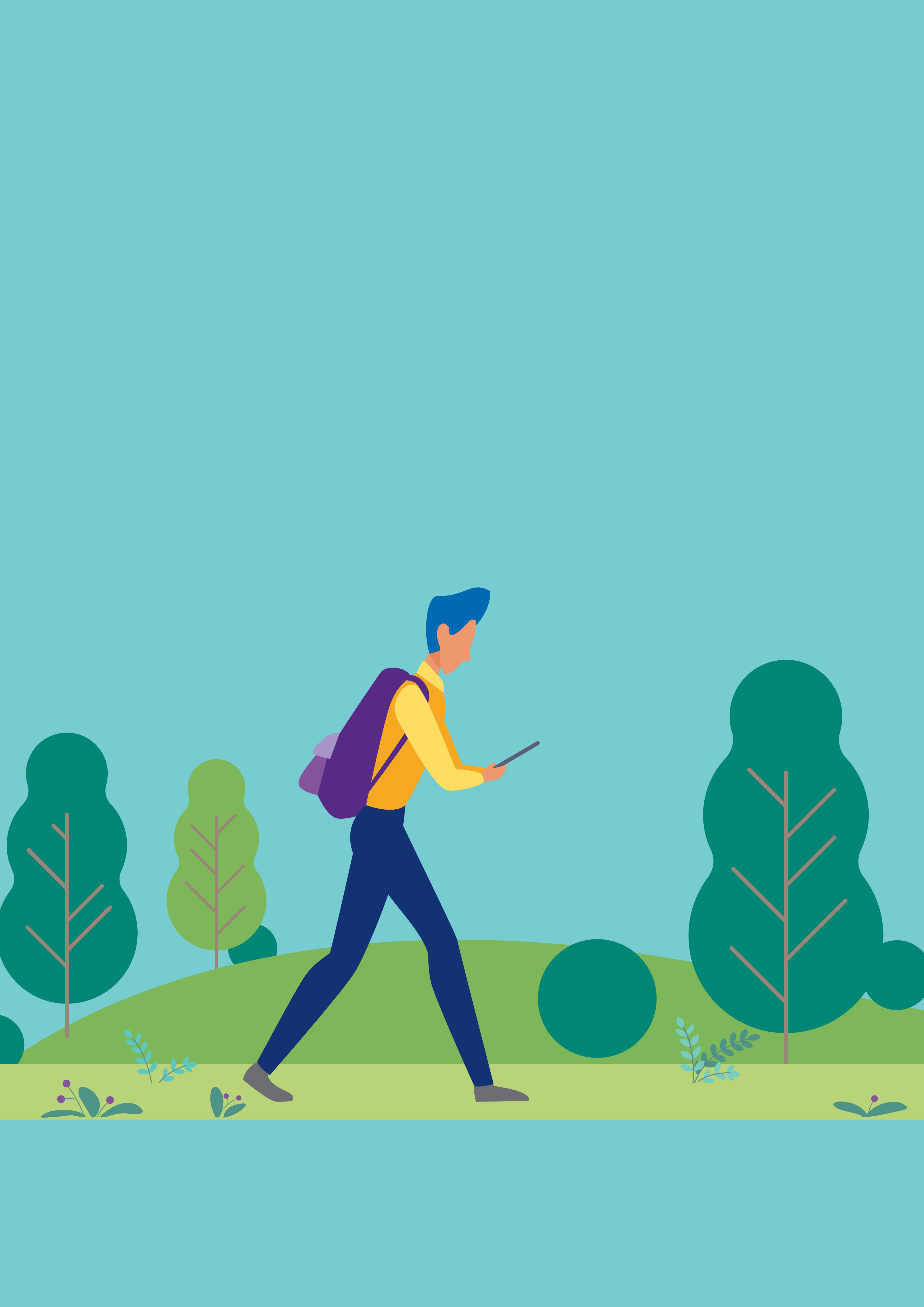
Live-in care can be expensive, but is an option worth exploring for those individuals who really do wish to stay in their own home. In comparison to moving into a care home permanently, the costs are not dissimilar.

Adult Social Care Services

Adult Social Care Services normally work with charities and voluntary or community organisations, who deliver preventative care services to maintain independence, and delay the need for more formal care. They arrange and supply things such as:

- Day services, day care, lunch clubs and social groups
- Befriending, visiting and telephone contact services
- Support schemes to help people being discharged from hospital
- Support for carers / respite care or short breaks
- Advocacy, information and advice
- Handyperson schemes

Ask if any of these are available to you when the local authority carry out the Care Needs Assessment.



What am I entitled to?

It is important to check you are claiming everything you are entitled to, especially when faced with having to pay for care services.

This information relates more specifically to the Department for Work and Pensions (DWP) benefits that may apply to those in later life.

Attendance Allowance
Helpline: **0800 731 0122**

Attendance Allowance is a tax-free, non means-tested benefit for someone who suffers from an illness or disability and has care and/or supervision needs. To qualify you must be over State Pension age when applying and have had a care or support need for at least six months. If you have to pay for all of your own care, you can still receive this benefit even if you are living in a care home.

Disability Living Allowance
Helpline: **0800 121 4600**

This is a tax-free benefit for disabled people who need help with associated support or mobility costs.

Disability Living Allowance has been replaced by the Personal Independence Payment for people aged between 16 and 64-years-old.

No new claims can be made for DLA, however someone who was born before 8 April 1948 and in receipt of DLA already, will continue to receive it (providing they still meet the qualifying criteria).

Personal Independence Payment
Helpline: **0800 121 4433**

This is a benefit that helps with the extra costs of a long-term health condition or disability for people aged 16 to 64. It is not means-tested and is a tax-free benefit.

You may also apply for a Blue Badge (parking permit) if you receive the higher rate DLA or PIP.

What am I entitled to?

Funded nursing care is there for those who require services which need to be provided by a registered nurse.

Carer's Allowance

Helpline: **0800 731 0297**

A taxable, non means-tested benefit payable for those who look after someone who receives a qualifying disability benefit such as Attendance Allowance, the Disability Living Allowance care component, or the Personal Independence Payment daily living component.

You do not have to be related to, or live with, the person that you care for, but you must be aged 16 or over, spend at least 35 hours a week caring and not earn over a certain amount in wages per week after deductions. Carer's Allowance may affect any means-tested benefits that the care recipient is entitled to or already receiving.

Pension Credit

Helpline: **0800 99 1234**

Introduced in 2003, it is a means-tested, tax-free benefit for people over State Pension age. Entitlement varies depending on the circumstances.

Pension Credit is made up of Guarantee Credit and Savings Credit.

Guarantee Credit is a low-income top-up, which ensures a guaranteed level of income is received.

Savings Credit is an extra payment for those who reached State Pension age before 6 April 2016, and made some savings provision over and above the state pension. There may be entitlement to one or both parts.

There are other benefits such as a reduced level of council tax, or help with adaptations to your property that may also available to you.

You can easily check what benefits you may be entitled to online, at either:

www.entitledto.co.uk or

www.turn2us.org.uk

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What is the Financial Assessment?

Once the Care Needs Assessment has been carried out and a need for care has been agreed, local authorities must then complete the Financial Assessment to establish how much money (if any), they will contribute towards the cost of someone's care. The Financial Assessment is used to determine the financial contribution that a local authority might be required to make for that person.

As it is only the person who needs care that is being financially assessed, it's only their ability to contribute towards the cost that is taken into account. This means the value of any joint savings or income will generally be halved for the financial assessment.

If the person needing care has a house, the value of this could also be taken into account, although if they still live there, or the property is still lived in by a spouse/partner, or another family member over the age of 60, the local authority must disregard the value of the property. There are other exceptions to this rule, which are detailed on page 15.

Those requiring care will generally be expected to contribute their income towards the cost. Again, there are a few exceptions where the local authority must ignore some forms of income. When assessing how much income someone can contribute towards their care, local authorities must ensure that individuals in care homes retain a certain amount of their income to cover personal expenses, for example, hairdressing costs. This is known as the Personal Expense Allowance.

When someone is receiving care in their own home, they will continue to incur their normal daily living costs such as utilities and insurances. Therefore, they must be left with a minimum amount, known as the Minimum Income Guarantee to meet these expenses instead. The amount you are left with depends on your circumstances.

The local authority will also consider the individual's capital, other assets and investments in this assessment, again with some exceptions.

What is the Financial Assessment?

When the local authority value your capital assets they will use various thresholds to decide how much they need to contribute towards the cost of your care (if any). These thresholds and outcomes are:

If your assets are over the upper threshold limit

- The local authority will not contribute to the cost of your care.

If your assets are between the upper and lower threshold limits

- When you have capital between the threshold limits, the local authority work out a tariff income contribution that you have to make from your capital. They do this using a tariff of £1 per £250 or part thereof, held between the limits themselves.
- The local authority will then add this amount to your actual income and calculate how much you have to pay towards your own care. Once the local authority know the overall contribution you need to make (from your income and capital) they then top-up that figure to their local authority rate for that area. Each local authority has a maximum rate they will pay towards someone receiving care. (Remember, the local authority must allow you to keep some of your income - equivalent to either the Personal Expense Allowance if you are living in a care home, or the Minimum Income Guarantee if you are still living at home).

If your capital is under the lower threshold limit

- If the capital is below the lower limit, the local authority take into account your income only. There is no tariff income contribution to be calculated from capital. The local authority would then top your income up to their personal local authority rate. (Remember, the local authority must allow you to keep some of your income - equivalent to either the Personal Expense Allowance if you are living in a care home, or the Minimum Income Guarantee if you are still living at home).

The threshold limits vary and change each tax year. Please speak to your adviser about the current bands.

Will my house need to be sold?

The local authority will consider the value of your property when assessing whether you are entitled to financial support.

There are times however, where the value of the house must be ignored, these include:

- If the individual is continuing to live in the property and is receiving care at home
- If the individual's spouse, or any other relative over age 60 continues to live in the property
- If there is a dependant under the age of 18 living in the property
- If there is an incapacitated dependant living in the property, regardless of age
- If the care is being provided on a temporary basis only
- The property value must also be ignored for the first 12 weeks after an individual moves into permanent care in a care home (provided you have assets below the upper threshold.

What happens if my house is taken into account?

If your house is taken into account, the local authority will class this as a capital asset. This means your capital would be assessed to include the market value of the property, almost certainly taking your capital assets over the upper threshold, therefore the local authority do not have to contribute towards the cost of your care. If this is the case there are a few options, for example renting the house out for extra income, selling the house to release its value, or asking the local authority about entering into a deferred payment arrangement. This is explained on the next page.

If your house is not taken into account, the value of this would not be included in your assessment.

What is a deferred payment arrangement?

If you own your own home and are moving into care, you may be able to defer your care fees. There are specific eligibility criteria for this, but the intent is to prevent people from having to sell their home during their lifetime to meet the costs of care.

Under a deferred payment arrangement, local authorities will fund the cost of care in return for a charge on the client's main residence, with the debt repaid when the individual chooses either to repay it (if this becomes possible), sell the property, or when they pass away.

The local authority must offer a deferred payment arrangement to someone if:

- They have been assessed by the local authority as having a need for care which is being met in a care home;
- They have less than (or equal to) the upper threshold limit
- The home is assessable

Interest on the money the local authority pay to the care home will be added on a compound basis and secured against the property. Local authorities are unable to be seen to profit from these arrangements, so the interest rate can be quite attractive.

The amount that can be 'lent' against the property, will depend on the property value, and the local authority will make you aware of the maximum limit at the time. One of the many benefits of this arrangement is that an individual can take advantage of any house price increases whilst they are in care.

I need to pay for my care, what are my options?

If you need to pay for your own care, we recommend that you get in touch with a Long-Term Care Specialist, who holds the appropriate qualifications to offer advice in this area. You can also speak to a Care Fees Specialist.

There are solutions available to help pay for care that cannot be accessed directly by the public, such as a care fees plan. The only way to ensure you have access to all options, and have acted in the donors best interests as an attorney or deputy, is to seek professional advice.

There are many ways to pay for care, but each option needs to be explored thoroughly to make sure it does not have a negative impact on other financial elements, such as benefits. With the average cost of care increasing, it is clear that many people are unlikely to be able to fund the full cost of their care from their income alone.

Care can be expensive, and if it's required for several years, costs soon mount up. This can quickly reduce the amount of savings and investments someone may have.

A qualified adviser or Care Fees Specialist can look at all of the options available to you and explain the advantages and disadvantages of each. This will allow you to make an informed decision in choosing the option that is right for you, and may even include solutions which guarantee care fees are paid for life.

For example, a Care Needs Annuity, also known as a "long-term care annuity" or "immediate needs annuity" could secure a guaranteed income to help fund care fees for life, by using a lump sum to purchase an insurance policy to provide a regular lifetime income.

Your adviser will be able to help you decide.

I cannot pay for my care, what are my options?

If you do not have the capital to pay for your care, there may still be options available to you if you own a property.

We recommend that you get in touch with a Financial Adviser who holds the appropriate qualifications to offer advice in this area. You can also speak to a Care Fees Specialist, or a Financial Adviser who is SOLLA accredited.

If you do not own a property, and have capital under the value of the upper threshold limit, the local authority will determine how much they can contribute towards the cost of your care. You will need to get in touch with the local authority to arrange any financial assistance.

It is worth noting that if the cost of the care is more than the contribution you and the local authority can make together, the outstanding fees may need to be made by a relative or friend. This is called a third party top-up. If this is not possible, speak with your local authority to find out what options you have. They may help you negotiate a cheaper rate with the care home, or help you find a care home which can meet the care needs at a cheaper cost.

The threshold limits vary and change each tax year. Please speak to your adviser about the current bands.

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