

## Is the value of my house included in the Financial Assessment for the funding of Long Term Care?

This is a question regularly asked by clients when discussing the funding of Long Term Care. When planning for the funding of care costs, whether it be the individual themselves or clients planning for their elderly parents it is a concern as to whether they may lose the 'family home'.

The average weekly cost in the UK of a residential care home is around £800 per week, this differs geographically with some areas seeing costs more in the region of £1,500 per week. This is a large sum of money, people are concerned about how this is going to be paid for and whether the State will help.

When looking at paying for residential care a Financial Assessment is undertaken of the individual's assets. This is conducted by the local authority and the results of this will ascertain whether the individual is entitled to any benefit from the state or whether they will be a 'self-funder'. Generally speaking, those with assets of £23,250 or more will not be entitled to State support.

A question that is asked when talking to clients about Long Term Care is "Will my home be included in the Financial Assessment?". The answer to this is generally "yes", but there are some circumstances whereby it will not be included. For once this is fairly straight forward and is as follows:

- A spouse or partner still lives there or
- A relative aged 60 or over lives in the house or
- A disabled relative lives in the house or
- A dependent child under 18 lives in the house

During the first 12 weeks of being permanently resident in a care home the value of the main residence is disregarded, this is aimed at helping residents whilst the property is sold but after this time it will be included.

It is important to note that a number of people do not move in to a care home but have support made available to them at home. This can be through care agencies or with the help of family and friends. If this is the case, the value of the property is not taken in to account during the Financial Assessment.

There are other assets which are not potentially included within the Financial Assessment, with one being an investment bond. This is provided it has been bought for legitimate investment purposes and not due to an upcoming request for Local Authority support. It is important to note that withdrawals from Investment Bonds will be 'means tested' and so could impact on the level of support available from the State.

Therefore, to answer the question it is possible your house will be included within the Financial Assessment. However, it is also important to look at the specific requirements needed; both in

terms of care needed and the cost.

At Wingate, by using our cash flow planning software we are able to look at the level of 'income' the individual is likely to receive and cross reference this with the estimated cost of care fees.

Using our specialist knowledge of the Long Term Care market, and the options available, we are then able to provide guidance and advice as to the most suitable option in funding Long Term Care. This is whether the care is to be provided in the home or at a residential care home.

If you would like to discuss this, or any other Financial Planning issues, please do not hesitate to contact me.