

WHO IS GOING TO PAY FOR YOUR SOCIAL CARE?

It is a common misconception that your Local Authority will be responsible for your care costs if you have to move into a care home later in life.

This is not the case in most instances.

The Local authority will means test anyone for whom they are asked to pay for care costs to see if you have to some or all of the cost of a care home or in-home care.

If you have assets of £23,250 or more in England or Northern Ireland (or £28,750 in Scotland and £50,000 in Wales) (current levels), it is likely you will have to pay the full cost of care yourself.

If your local authority has agreed that you are eligible for care, you can undergo a means test to find out if they will pay for some or all of the fees.

The first thing the council will do is work out a reasonable cost for your care. Depending on whether you need care in a care home or are able to stay in your own home and have regular visits from carers, the cost will vary. The council will, however, only calculate the amount needed to cover your basic requirements – you will have to pay top-up fees if you want any extras, such as a larger room in a care home.

They will then look at your ability to pay for the basic level of care, firstly through your regular income such as from the State Pension and any private pensions you might have. If you receive enough income to cover the costs of your care, you will have to pay for it all yourself.

If your income isn't sufficient for this, they will look at any financial assets that you have, such as savings and investments. If your assets are held jointly with your spouse or partner, they will usually be divided equally and only your share will be taken into consideration. It will also include the value of your home if you are moving to residential care (but not if you will be receiving care in your own home or if your spouse or partner plans to carry on living in your home).

There are 2 limits that you need to consider:

	Amount of assets over which funding is unlikely	Amount of assets under which funding is likely
England and Northern Ireland	£23,250	£14,250
Scotland	£28,750	£17,000

If your assets are between the 2 limits the local authority will partially fund your care. You will have to contribute £1 for each £250 of assets you own above the lower level.

In Wales, there is a single threshold of £50,000 for those in residential care. That means if the value of your assets is above this level, you will receive no funding, while if it is below, you will receive full funding. For those requiring in-home care, the single threshold is £24,000.

If, once you have started paying for care, the value of your assets falls below these thresholds, you can apply for a reassessment from your local authority.

If you have saved all your life and own your own home this is a very scary scenario as it is effectively a 100% tax on your assets for you to be looked after. With care home fees being as much as £800 per week or more, what you may have considered to be a reasonable nest egg, could be severely depleted within a year or two.

If you are severely ill or will need medical care over an extended period there is also a possibility that you can receive healthcare or nursing care funded by the NHS. The list of health problems or illnesses that will qualify you for funding can be vague. However, as a rule, you must have a 'primary' healthcare need that has arisen because of disability, an accident or illness.

There will be a continuing healthcare assessment, which will be carried out by a minimum of two health or social care professionals.

This option is not available in Scotland.

If the Local Authority decides that a person has intentionally 'deprived' themselves of assets, the financial assessment will treat the person as still owning the value of that asset. This is called 'notional capital' and the Local Authority will treat the person as self-funding even though they do not have assets above £23,250 (or other relevant amount)

Whether someone has deprived themselves of assets or not is a complex issue and may depend on the timing of the transfer, the reason for the transfer and whether the need for care was foreseeable before or at the time of the transfer. Careful planning is therefore required if asset transfers are to take place.

How we can help

In all cases, if you or a loved-one needs long-term care, the situation can be complicated and highly daunting at what is, for many, a very emotional time. It is good to be aware of the possibility of long term care and to plan for it well in advance.



Care costs can be a 100% tax on capital until relatively low capital values are left. It can cost you your home and savings that have taken you a lifetime to accumulate. Early planning of asset disposition is essential if care costs are to be avoided. Talk to us and plan well before these become an acute issue.