

wealth preservation long term care

Practical tips to help protect the assets of couples

Claim Attendance Allowance

Attendance Allowance is a tax-free benefit for people aged 65 or over who need help with personal care because they are physically or mentally disabled. **If you are under the age of 65, you may be entitled to Disability Living Allowance instead.**

You should ensure that Attendance Allowance is claimed where applicable, and where it is already in payment that it is being paid at the correct rate. Telephone the Benefit Enquiry Line on 0800 88 22 00 to make a claim.

Claim a Reduction in Council Tax

There is a 25% discount on Council Tax for properties occupied by one person only. In addition, if an adult occupant is **severely mentally impaired** (diagnosed with Alzheimer's disease or similar) then they are ignored when calculating how many people are in a property for Council Tax purposes. You can therefore have, for example, a married couple in a property, one of whom has been diagnosed with Alzheimer's disease or similar, and the 25% discount will still apply.

If both occupants of the property are **severely mentally impaired** then no Council Tax is payable under the Class U Council Tax exemption. Further, if a property is left empty because the occupier moved into a hospital or a care home then no Council Tax is payable under the Classes E and I exemptions.

Split Joint Accounts

When in a care home, the Local Authority must assess the assets of that person only, and ignore the assets of anyone else. This

means the assets of a spouse cannot be taken into account, although one half of joint accounts will be.

In respect of any joint accounts, you should therefore withdraw the current balance and split that sum between accounts held in each of your sole names, be they existing accounts or new ones.

Take out a Funeral Bond

Cash in the bank will be taken into account in any financial assessment carried out by the Local Authority on someone who is in a care home. This is so even if such money is earmarked to put towards the cost of a funeral. **If those funds were used to purchase a Funeral Bond then they cannot be taken into account by the Local Authority.**

Contact your local funeral director or your local Age Concern branch and state you wish to purchase a Funeral Plan.

Take out a Probate Bond

As mentioned above, cash in the bank will be taken into account for someone who is in a care home. If some of those funds were used to purchase a Probate Bond, which means **pre-paying for the cost of administering your estate** by a solicitor, then they cannot be taken into account by the Local Authority. Further information about a Probate Bond can be provided if required.

Independent Financial Advice

An Independent Financial Adviser (IFA) will be able to advise you on the appropriate investment of your assets. This will ensure you are making the most of your money.

In addition, certain **life-based** investments are ignored in the financial assessment process when someone has moved into a care home. An IFA can advise on such investments and whether or not they are suitable to you.

For those already in a care home, or who will be moving into one, one option which could be considered is an **immediate care fees plan** which is essentially an insurance policy to cover any care home fees that become due. Advice **must** be sought from an IFA who specialises in this area.

If you require such advice then a qualified IFA can be recommended to you.

Severance of Joint Tenancy & a new Will

There are two ways in which a couple can own land in England and Wales. This can either be as **Joint Tenants** or **Tenants in Common**. If you own a property as **Joint Tenants** then it will automatically pass to the survivor on the death of the first one of you, which means the property cannot pass through your Wills. The better option, therefore, is to own any jointly held property as **Tenants in Common** which means you will each own 50% and so on the death of the first one of you, your 50% share can pass in accordance with the terms of your Wills.

You would then need a new **Will** which would

provide for your half of the property to be held on trust so that your spouse may benefit from it without actually being the owner, with the result that it cannot be taken into account in any financial assessment.

By phrasing your Will in this way, you would also create the opportunity to argue that the one half of the property still owned by the survivor should be valued at nil in a financial assessment since it is impossible to sell half of a house. There is more detailed information that needs to be provided on this point before you choose to proceed with this option, and expert legal advice is required in the drafting of such documents.

NHS Continuing Care Funding and Section 117 Aftercare

In certain circumstances, a resident in a care home may have their fees paid entirely by the NHS. In brief, this is the case if the resident was **sectioned** or if the resident's needs are primarily of a nursing nature. You may wish to request that an NHS Continuing Care Assessment be carried out to determine eligibility for this benefit. The request should be directed to the Continuing Care Team of your local NHS Primary Care Trust (PCT).

If you would like any assistance in placing this request with your local PCT, or challenging any refusal to offer such funding then expert advice is available.

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