

wealth preservation long term care

Practical tips to help protect the assets of an individual

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 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.

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.

Transfer of a Property to a Trust

It is often the case that someone expresses the wish to give away a property. This can be for a variety of reasons including:

- Knowing with greater certainty where the property will pass on death
- Ensuring the property can be sold on death without the need for a Grant of Probate.

This has the potential to avoid expense and delay in the long term.

Whilst a gift directly to family members is not a good idea (due to their possible death, divorce, bankruptcy etc), a gift of a property into a family trust avoids all of these problems. In addition, the property can be sold if you need to move with the proceeds being re-invested into another property for you.

Whoever becomes the new owner of the property, whether a family member or a family trust, the Local Authority have powers to ignore gifts if they can link the transaction with an intention to avoid care home fees.

If, therefore, you have a specific reason, other than the avoidance of care home

fees, for making a gift of a property then it may be possible to do so without having the property taken into account in any future assessment for care home fees.

There is more detailed information that needs to be provided before you choose to proceed with this option, and expert legal advice is required in the drafting of trust 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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