



Helping you meet the
challenges of Long Term Care

Plan Money 

What is Long Term Care Planning?

With an estimated 150,000 people entering care each year, paying for long term care is an issue that many adults will face at some point in their lives. As people are living longer, the costs can end up being greater than originally anticipated.

Research suggests that the average stay in a care home for a self-funder is around 4 years, with a 1 in 7 chance of living over 5 years.

Care can take different formats:

In the home

This could range from a couple of hours a week to 2-3 visits a day.

From a full-time carer

This could be 24 hour care at home, helping with day-to-day tasks.

In a Residential care home

This type of care home offers social care only, with limited medical care assistance.

In a nursing home

This type of care home offers full social and medical care.



Long Term Care planning usually undertakes the following steps:

1 The Needs Assessment

This is also known as the Community Care Assessment whereby the Local Authority will determine the need for services such as:

- Practical support at home
- Care at home and need for disability equipment
- Sheltered housing
- Care in a residential or nursing home

2 Organising Care

If the Local Authority deem care is needed they must provide a written plan detailing the type of care needed.

3 Understanding the financial impact

The Local Authority must also carry out a financial assessment to determine how much funding they will assist with. Their financial support will be means-tested and is dependent on level of income and assets.

4 Legal advice

Legal advice should be sought to ensure, where appropriate, wills and Lasting Powers of Attorney are up to date and in place.

5 Financial advice

Financial advice should be sought to ensure the cost of care can be maintained and that capital is structured to efficiently and effectively accommodate the immediate financial requirements. Successful financial planning means making sure there will always be sufficient income to ensure the cost of care can be maintained and, if appropriate, the care home residence secured indefinitely.

Paying for Care - some headline facts:

If you have more than £23,250 in assets then you are classed as a 'self-funder' and will not receive any financial support for your social care needs from Social Services.

If you have capital between £14,250 and £23,250 – Social Services will pay for part of the fees. The person in care will contribute £1 for every £250 over the threshold of £14,250.

If assets are below £14,250 you will not have to pay any contributions towards your social care cost. Social Services will however, still expect you to apply your pension and other income towards the cost of any care fees.

Although social security benefits are the same throughout the UK, additional help provided by each Local Authority will vary.

Many people fear having to **sell the family home to pay for care fees**. The value of a person's main home can be disregarded in certain situations.

For example, if the home is still occupied by the resident's partner or close family member over the age of 60. If the stay in care is temporary (up to 52 weeks) the value of the home must be ignored. The value of a home must also be ignored for the first 12 weeks of any permanent stay. The rules on property disregards are complicated and it is important to seek legal advice.

Income is always taken into account in the financial assessment. Income includes pensions, most social security benefits, annuity income and earnings from employment.

When working out how much a person should contribute, any disability related expenditure should be ignored by Social Services. For married couples, only the resident's income can be assessed. The rules allow 50% of the resident's private pension to be ignored so that this can be passed on to their spouse.

Who are Plan Money?

Plan Money is a small team of award-winning independent financial advisers who offer a personal, single point of contact for all financial planning matters, backed up with a strong team support ethic.

Plan Money have extensive experience of advising families on the care needs of their loved ones and in liaising with other professional partners in the care advice process.

- Team of broad experience and specialities
- Single point of contact for each client
- Strong support team ethic with pooled resource and knowledge
- 2 Chartered Financial Advisers
- SOLLA Member and Associate*
- Multi award-winning



Small Adviser Firm of the Year 2013

MoneyMarketing
Financial Services Awards 2015

WINNER

PLAN MONEY
Best Small Protection Adviser



Independent vs Restricted Advisers

All financial advisory firms have to operate an either Independent or Restricted advice service.

An **Independent** adviser must consider all possible options for you, and do so free from any restrictions or bias.

At Plan Money we operate as Independent Advisers.

An adviser who's not classed as Independent will be a **Restricted** adviser. Advice will be referred to as restricted if it considers only certain products, and/or doesn't cover products from every available company.

Plan Money

**SOLLA is the Society of Later Life Advisers*

Our Advice Process and Costs

Our service can be broken down into three distinct stages:

1

Getting to know you

The first step of the advice process is to have an informal meeting so we can get a broad understanding of your circumstances and objectives. **There is no charge for this stage.**

There is no obligation to proceed beyond this stage.

2

Research and guidance

We will help compile a “to do” list and prioritise steps to take. We will conduct research and make outline recommendations for funding the cost of care. We will provide a formal report of our recommendations. **This stage incurs a fixed cost of £375.**

There is no obligation to proceed beyond this stage.

3

Plan facilitation

Depending on the outcome of Stage 2 you may need us to implement actions which are mutually agreed appropriate. We will provide a supplementary formal report of our recommendations and agreed actions.

The cost of this stage will be determined by the detail of the work undertaken. **All costs of work will be agreed prior to work commencing.**

Each stage is a distinct service. By structuring our service this way we avoid the inherent conflict of interest where an adviser is reliant on the provision of a product to get paid. We charge a set fee for a set piece of work. This way you can be confident that you are always receiving truly impartial financial advice and that your adviser has no vested interest in one particular outcome over another.

Case Study – Betty & Caroline’s story

Betty is aged 78 and her health conditions are meaning she is becoming increasingly immobile. She owns her home but now finds it difficult to manage and it has been decided the house will be sold, with Betty moving into a nursing home near to her daughter Caroline who looks after her mother’s affairs.

Betty has managed her money well over the years and has amassed some savings. She receives income from both her state pension and an occupational pension. Betty has not made a will and Caroline is not sure on what effect that will have.

Caroline is wondering what to look at first and what should be on their “to do” list. There seems so much to consider, from care homes, estate agents, solicitors and financial advice. How much will it cost and how does the Care Act affect Betty? Caroline needs to work out the best way to pay for everything and she also needs to be careful not to lose sight of making the right choices for her mother.



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This is a typical enquiry for Plan Money who are able to help Caroline understand the care fee funding options and making sure her money does not run out.

They are also able to help Caroline complete and prioritise her “to do” list including liaising with an Independent Social Worker to review potential state benefits and look at care options and local authority funding, plus Solicitors for a will and Power of Attorney, Estate Agents and various Support Groups that can provide assistance and guidance.

The next step...

If you like what you see, the next step is to arrange a meeting. We are happy to meet at your home or business address. We will also be delighted to welcome you to our offices in Great Bentley, near Colchester.

Award-winning Independent Financial Advisers



*Plan Money Ltd is authorised and regulated
by the Financial Conduct Authority
(Registration no. 605911).*

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