

CARE FEES PLANNING

Taking the stress out of paying for care



BROWNLOW WEALTH MANAGEMENT



The two golden rules of care fees planning:

- Consider all of the options and their consequences before making any decisions.
- Only take advice from those who are qualified to give it (most financial advisors aren't). That way you will know all of the options that are available before making one of the biggest decisions of your life.

As Care Fees Planning specialists who are accredited by The Society of Later Life Advisers* (SOLLA) we can show you whether it is possible to secure care at the first choice of home for the rest of the individual's life. This can give all the family peace of mind that care fees are being met indefinitely, that they will not run out of money and fall into the hands of the Local Authority.



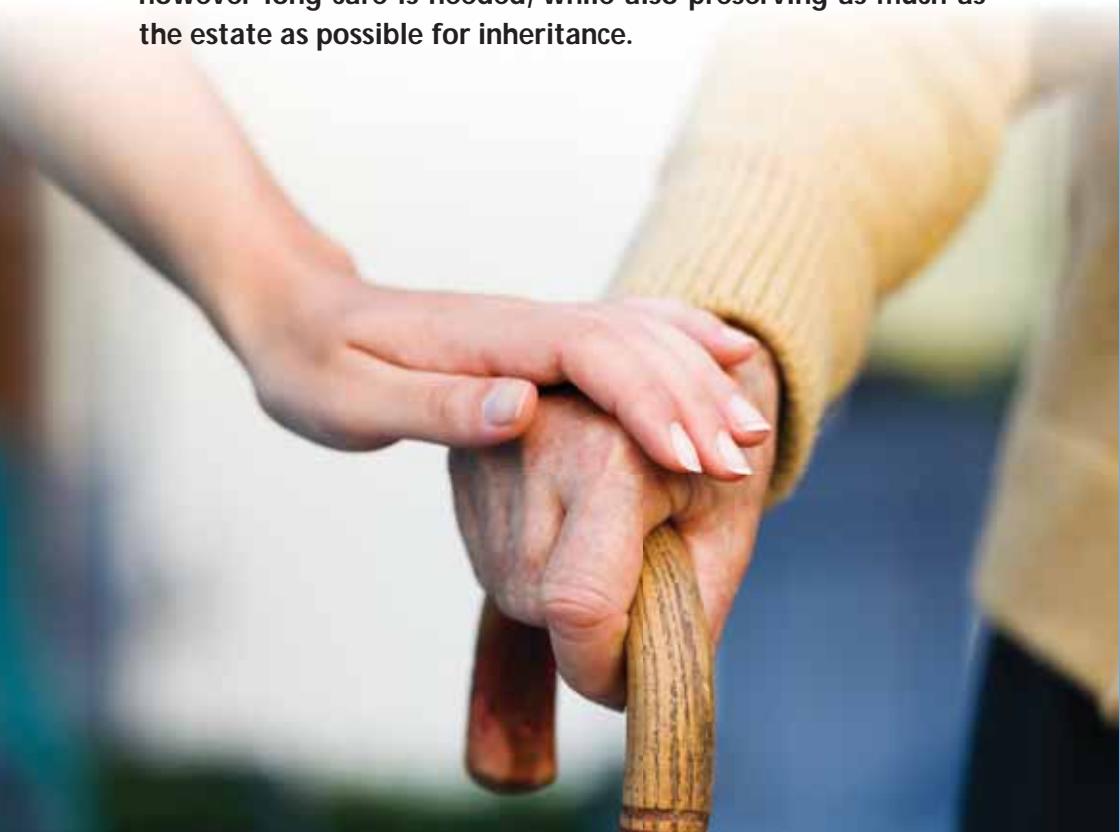
* The Society of Later Life Advisers (SOLLA) aims to assist consumers and their families in finding trusted accredited financial advisers who understand financial needs in later life.

The right choices for the whole family

Finding the best care fees solution can be an emotional, practical and financial strain on the whole family. Our role is simply to take those pressures away by opening the door to all of the choices available to you and securing the best quality of life for you and your loved ones.

For over 15 years we have been involved in helping families find their way through all the legislation and financial restrictions to arrive at the most appropriate care fees solutions for their individual circumstances.

Our care fees solutions help to pay towards the costs of care for however long care is needed, while also preserving as much as the estate as possible for inheritance.





How to cover the cost

Getting the very best care available is always the most important consideration, but cost restraints are usually the biggest factor in the final decision.

Unfortunately one in four people who fund their own care run out of money*. BUT THIS DOESN'T HAVE TO BE THE CASE. It is because they did not consider all the options or take proper advice.

The problem is that nobody can predict how long care will be required and therefore how long it will have to be paid for. Running out of money means relying on the local authority to fund your care and there are no guarantees the local authority will wish to maintain the same payment levels.

* Source: Partnership 2015

Immediate Care Plans

One of the best ways to remove the worry of running out of money is to use an immediate care plan, which has the additional benefit of ring-fencing any remaining funds for inheritance.

Simply having the security of knowing that you, a family member or someone else that you love will be looked after, and that the income to do so is guaranteed for the rest of their life is priceless.



These plans are underwritten specifically on the health of the person needing care and pay a tax-free income to a registered care provider for the rest of that person's life. There are options for inflationary increases, capital protection, deferred plans and equity release. It is important to understand the full benefits and implications of all the options.

The levels and bases of taxation and reliefs from taxation can change at any time. The value of any tax relief depends on individual circumstances.



Some of the things to consider

- Local Authority support and means test thresholds
- State Benefit entitlements such as Attendance Allowance
- Care Assessments
- Office of the Public Guardian and Deputies
- What to do with the family home
- Equity Release options*
- The Care Act and new legislation
- Deprivation of assets rules
- NHS Continuing Healthcare
- Deferred Payments
- 12 week disregard
- IHT implications
- Powers of Attorney & Reviewing Wills**
- Care Advocacy

All of the opportunities, options and considerations mentioned here are the reasons why getting expert help is so important in making the right decision for your future or the futures of those you care about the most.

* This is a lifetime mortgage or home reversion plan. To understand the features and risks associated with such products, please ask for a personalised illustration.

** Powers of Attorney and Will writing involves the referral to a service that is separate and distinct to those offered by St. James's Place. Powers of Attorney and Wills are not regulated by the Financial Conduct Authority.



Case study...

Another happy ending...

Heather's family approached us because her health was deteriorating and she was recovering from a recent fall. She was age 92 and was vulnerable being left at home on her own.

She needed a little assistance with activities of daily living throughout the day and night and they had found a suitable residential care home where the fees were £800 per week which is £3,467 per month.

This was their preferred care home where she could maintain her independence and dignity, and Heather was very keen for her grandchildren to benefit from an inheritance.

Her main asset was her bungalow which was being sold for £210,000 and she had very little savings. She had a state pension plus a widow's pension from her late husband, giving her a total net income of £1,115 per month.

They were not aware that Heather could claim the Attendance Allowance and following the initial meeting a claim was made straight away. This resulted in an extra £4,228 income per annum in state benefits (2014/15 Attendance Allowance: £81.30 per week).

Their question to us was:

“Is this care home affordable, we do not want to be in a position where mum has run out of money and having to move her to a cheaper Local Authority home”.

Heather's total income with the Attendance Allowance increased to £1,467 per month leaving a shortfall to meet the ongoing care Fees of £2,000 per month.

Our solution was to arrange an immediate care plan for Heather that used just part of her capital and guaranteed an income to meet the current shortfall in her care fees for the rest of her life.

Heather used £95,420 from her property sale proceeds to buy a plan that guaranteed a tax free income of £24,000 per annum payable to the home and increasing by 5% per annum. The Care Home confirmed they were happy with this indexation that allowed for inflation.

This meant Heather could be happy in the home of her choice while her family would have peace of mind, knowing that the fees would always be paid. Heather was happy knowing she was able to leave her grandchildren a substantial inheritance.





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