What is Long Term Care?

Long Term Care refers to the provision of personal and nursing care for people who are no longer able to look after themselves without the additional support of other people or without the need of assistive devices.

Unlike acute conditions which require short term care, Long Term Care applies to those who are suffering with permanent underlying conditions such as dementia, arthritis, or a stroke.

It could be the result of an illness or from old age that Long Term Care is required. This may mean getting assistance dealing with the day-to-day activities of living, such as washing, cooking, eating, dressing or just getting about the house.

Depending on your medical needs and circumstances it may be that this care can be provided in your home (residential care) or it might mean that you need to move into a nursing home where a greater level of care can be given (nursing care).

As many of us are living much longer than we used to thanks to better lifestyles and quality of care, Long Term Care planning can be a valuable consideration for many.

What shall I do next?

Long Term Care planning can be a complicated matter and it is important that you seek advice from a qualified financial adviser who can talk you through your options.

If you would like further advice and assistance without obligation why not contact one of our qualified Long Term Care Planners?

Contact us for a free initial consultation.

t. 01903 214640
f. 01903 214656
e. ifa@investment-solutions.co.uk
w. www.investment-solutions.co.uk

Investment Solutions Wealth Management Limited
Grafton House, 26 Grafton Road, Worthing, BN11 1QT.

Directors: Keith Mitchelson, TD, FCIB, MBIM
Ivan Lyons APFS, Chartered Financial Planner

Investment Solutions

Care Funding Advice

Why might it be important to me?

In April 1993 the 'Community Care Act' came into force in the United Kingdom.

It removed the responsibility for the assessment of people's needs and for the payment of personal and nursing care from the Department of Social Security to local authorities, all of whom have limited and varied budgets.

What does the Government Provide?

Because of the varying demands on each local authority the amount of support provided will depend on where you live as well as your personal circumstances.

Local authorities' social services departments conduct 'means testing' on all individuals in order to determine whether financial assistance will be granted.

The rules are quite complicated but broadly speaking, if you have assets over £23,250 (not including your main property) you will not receive any assistance towards care home fees.

Once assets fall below this level, the local authority will pay part or all of the fees. This means test will also take your main residence (home) into consideration after 3 months if it is vacant.

What can I do?

It is a sad fact that many homes are now sold in the UK each year to cover expenses associated with the provision of care. If this becomes necessary the value of your estate will reduce, affecting what you are able to pass on to your loved ones when you die.

Thankfully, there are a number of solutions that can help you pay for these costs without having to sell the personal assets you have worked for so long to accrue.

Methods of Private Funding.

Long Term Care Insurance Plans can be expensive but you don't have to cover the whole cost of care. You could calculate what you could afford to pay out of your income, including state benefits, and use Long Term Care insurance to cover the shortfall.

A Long Term Care Plan typically pays out benefits when a number of ADLs (Activities of Daily Living, such as washing and dressing) cannot be performed. Different insurers have different definitions of the ADLs. It is also possible with some policies to get partial benefits when a smaller number of ADLs cannot be performed.

Insurance & Investment Plans are innovative products that provide long term care coupled with the prospects of long term capital growth via a wide selection of investments funds. Benefits are paid on broadly similar criteria to those for insurance plans.

Immediate Care Annuities can help elderly people for whom it will be too late to buy insurance. An annuity guarantees to pay a certain income for life in return for a lump sum payment. Several insurers are prepared to offer higher incomes for impaired lives, where a medical condition indicates that they have a lower than average life expectancy. The annuity can be capital protected, so that in the event of death before the purchase price has been repaid a sum equivalent to the purchase price, less payments made will be repaid to the estate.

Investing for income is an alternative approach to the provision of income. Investment portfolios can be designed to produce more income rather than capital growth. It is important to ensure these investments are held in the most tax-efficient manner and that the level of income is sufficient and sustainable. For many pensioners without sufficient pension income, using existing capital to produce income is often the chosen solution.