

Paying for Care: *What the new law means for older people*

NOTE: THIS IS A COMPLEX NEW SYSTEM - THIS DOCUMENT HIGHLIGHTS JUST SOME OF THE MAIN CHANGES THAT PEOPLE HAVE ASKED ABOUT

- **The Care Act changes the rules (in England) about who gets support for care costs from local councils and how much they have to pay for care**
- **Some changes start in April 2015, some in April 2016**
- **Your income and assets, including in many instances the value of your home, will (as is currently the case) be taken into account when working out how much you have to pay.**

Some of the main changes

NOW: Each local council decides who is eligible for social care support. Eligibility depends upon whether your needs are '*critical, substantial, moderate or low*'.

From April 2015: All councils in England have to use national eligibility criteria. You will qualify for support if your needs are assessed as '*substantial*'.

NOW: Even if the council decides you are eligible, any help is means tested i.e. what you have to pay depends upon your income and assets. If you are being cared for in your own home the means test takes into account savings, stocks or shares, not the value of your home. If you move into a care home the value of your home is usually taken into account (dependent upon your circumstances).

From April 2016: Help will still be means tested and your assets, including the value of your home, will still be taken into account. All councils will have to use a new national system to work out how much you have to spend on your care. The main difference is that there will be a limit to how much of your assets you have to spend on your care before the council pays. This is described as the '*cap*'.

NOW: You pay all of your care home fees if you have more than £23,250 in savings and capital/ assets (subject to some exceptions).

From April 2016: If you have more than £118,000* in savings & capital/ assets you will pay all of your care home fees (with exceptions). If you have between £17,000* and £118,000* you will have to use some of this money towards your fees. This will be on top of the contribution you make through your income.

So how will the 'cap' work?

- From April 2016 the new capped system will put a maximum limit on total care costs of £72,000* for expenditure assessed as 'eligible' under the Care Act.
- For expenditure on care to be counted towards the cap you first need to be assessed by your council as having substantial needs. Whether care is provided in your home or in a residential home, only the amount of expenditure on care set by the council will count towards the cap. This may be less than actually spent.
- When living in residential care, even if you have spent £72,000* on eligible care, you will still have to use any remaining assets to pay 'hotel costs'. A flat rate of £230* a week (c.£12,000*pa) is proposed.
- If you have more than £17,000* in savings and capital but less than £118,000*, you will need to contribute some of this money towards your fees. This will be on top of the contribution you make through your income.

***NOTE: THESE AMOUNTS MAY CHANGE**

Will I have to sell my home to meet residential care costs?

- Whilst you will not have to sell your home to pay for care during your lifetime, councils will place a charge on your home (with interest and an administrative charge added) to pay for residential care costs (with some exceptions).
- From April 2015, all councils are legally required to offer this 'deferred payment' whereby costs will be taken from your estate after death.

The BBC has developed a 'Care Calculator' that you can use to calculate care costs either for yourself or for someone else. You can find it at:

<http://www.bbc.co.uk/news/health-30990913>

BECAUSE OF THE COMPLEXITY OF THIS LEGISLATION IT IS VITALLY IMPORTANT TO GET INDEPENDENT ADVICE.

The organisations listed below give impartial information and advice on this and many other matters around housing, care and related finance.

FirstStop: **0800 377 7070** www.firststopcareadvice.org.uk

Independent Age: **0800 319 6789** www.independentage.org

Age UK: **0800 169 6565** www.ageuk.org.uk