Planning and paying for care

Funding care costs
If you or a loved one are in need of care, there are different ways of funding this. If your assets are worth over £23,250, you will be liable to meet your care costs yourself. If your assets are worth less than £23,250, the local authority will assist with meeting your care needs.

When applying to the local authority for financial assistance, they will carry out a needs assessment, to work out what needs you have, and a financial assessment. They will take into account whether you will be living in your own property or a residential home. If you move into a care home, and the cost is greater than the local authority are willing to pay, it is possible for you or a loved one to top up the care fees with private funding.

If your care needs are based on nursing, you may be eligible for Continuing Healthcare, which is free and provided by the NHS rather than the local authority. It does not matter how much your assets are worth – to be eligible you just need to have the need for nursing. To apply for Continuing Healthcare, you need to approach your Clinical Commissioning Group and ask for an assessment into your care needs.

Protecting your estate from care costs
When planning for future care needs, it is important to look at your Will. While you cannot avoid paying care costs completely, you may be able to put some protection for your loved ones in place through your Will.

For example, rather than leaving all of your assets to your spouse, you may wish to consider giving them a right of residence to live in your home for the rest of their life. This way, if your spouse survives you and needs to move into residential care, they can only spend their money and not yours in providing that care.

If your husband or wife are moving into care and you are still living in your home, your home will be disregarded in any financial assessment by the local authority while you continue to live there.

Deprivation of assets
If you give away assets to avoid paying for care, this is known as deprivation of assets. If the local authority feels you have given away assets to avoid future care fees, they will look to the recipient of the gift or can overturn the gift. Ultimately, they will refuse to pay for the care.

This factsheet is for information purposes only and does not constitute personal planning for the future advice. Alzheimer’s Research UK recommends you speak to a solicitor and/or tax advisor to meet your individual needs.

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