For a closer look at paying for care

For Living
What to expect from this guide

Meet Rosie

Throughout this guide you’ll follow Rosie’s journey and how she helped her mum into a care home. This story is fictional with realistic examples that help to demonstrate how paying for care works.
We’ve put together an overview of the ways long-term care can be paid for, from how your loved one’s contributions are worked out, to the support available along the way. If you’re looking into care for yourself, this guide will be just as useful.

As everyone’s situation is different, we also recommend seeking independent professional financial advice before making any decisions.

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Understanding their care needs

The cost of your loved one’s care will depend on a number of things, from the type of care needed, to the home location and bedroom chosen. Assessments can determine if they’re eligible for financial help and which home is right for their needs.
**Getting an assessment**

Anyone coming to stay with us in a Bupa care home will need to have an assessment with us to check that we can care for their needs. If you think that they might be eligible for some financial help towards the cost of their care, they’ll also need to have a local authority assessment. This will assess both their financial and care needs. If your loved one lives in Scotland, they’ll need a social worker regardless of whether you need a financial assessment or not.

**Local authority care needs assessment**

The assessment will look at what their care needs are and how they can be met, then at how much your loved one will need to contribute to the cost of their care, if any, by carrying out a financial assessment.

**Will they need a local authority assessment?**

This will depend on your loved one’s capital and income. You can do a quick calculation to see if they have enough capital and income to pay for their own care (known as the upper limit). Anything less, they’ll be eligible to receive some local authority funding.

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<tr>
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<th>Upper limit</th>
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<tr>
<td>England</td>
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<tr>
<td>Wales</td>
<td>£40,000</td>
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Figures correct as of December 2018.

If you’re unsure what’s classed as income or capital, turn to page 8.

To request an assessment, contact their local authority, or if they live in England or Wales, apply online at [gov.uk/apply-needs-assessment-social-services](http://gov.uk/apply-needs-assessment-social-services).

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**Booking a Bupa care assessment**

You can talk to us at whatever stage you’re at – even if your loved one is yet to have a local authority assessment. We’ll give you clear advice on your next steps.

**Call our friendly team to find out more**

**0808 301 5403**

Lines are open 8am to 6.30pm, Monday to Friday, 9am to 12.30pm on Saturday. Closed Sundays and bank holidays. We may record or monitor our calls.
Working out their finances

The amount of capital and income your loved one has will determine how much of their care they’ll need to pay for. Here we run through the financial limits and look at what counts as capital and income.

**Income**
If they receive any regular payments, such as a pension, annuity or any benefits and allowances, these are classed as income.

**Pensions**
Going into a care home won’t affect their right to any state, occupational or private pensions. However, the income they receive may affect how much of their care they need to pay for.
Sharing their pension with a partner

- **Married couples** – half of any occupational or private pension will be ignored as long as this is passed on to their husband or wife.

- **Unmarried couples** – the local authority may agree to increase the amount of their pension they can keep for everyday costs, known as a personal expense allowance, to support their partner at home.

Benefits and allowances

Any benefits they currently receive, such as attendance allowance or pension credits, plus any they’re eligible for – even if they aren’t claiming them – will form part of their income.

Not sure what benefits are available? Turn to page 20.
Capital
This includes the current market value of their savings, property and any one-off or lump sum payments, such as inheritance or a maturing investment policy, minus any debt they owe.

Property
Usually, if your loved one owns their own home, they’re likely to use this to help pay for their care as this is classed as capital. However, if one of the below people are living there, it won’t be included in their finances:
- their spouse or partner
- a divorced partner if they’re a lone parent
- a close relative aged 60 and over
- a close relative under 60 who is disabled
- a child under 18 they’re responsible for
- at the local authority’s discretion, someone living in the house that gave up their home to look after your loved one

If they live alone, using the family home to pay for their care doesn’t always mean selling. Turn to page 12 for details.

Savings
Any savings in their name will be counted, as well as half of any savings in a joint account. However, sometimes unequal amounts are paid in by each person, so it’s worth seeking independent professional advice.

Personal belongings
Don’t worry. Personal possessions, jewellery and furniture aren’t included.
Can they give away their assets?

If someone knowingly gives away their savings or their home, or sells them for less than their true value, it could look like they are trying to avoid paying for care. This is known as deprivation of assets. Depending on the timing, motive and if the local authority believes they gave them away deliberately, those assets could still be counted in the financial assessment.

Rosie’s story

Before moving into a care home, mum wanted to transfer her savings to me so I could go on a few holidays. Luckily, we got some professional advice first as this would have been seen as trying to avoid paying for care.
What are the capital limits?

Each area of the UK allows individuals a certain amount of capital before they’ll need to pay for their own care.

If they’re below the lower limit, they’ll be eligible for local authority funding. If they’re over the lower limit, but not by much, they could still receive some help. Anyone over the upper limit will need to pay for their own care.

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<thead>
<tr>
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Note: For every £250 your loved one has above the lower limit, the local authority will subtract £1 a week from their contributions.

Capital to income

Sometimes the lines can feel a little blurred between the two. That’s because any leftover income in a month then becomes capital.

Call us to find out more

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Rosie’s story

Mum lives in England and has £18,000 worth of capital. That meant the local authority were happy to help, but they’d deduct £15 from their weekly contributions as she was £3,750 over the lower limit.

\[
\text{Capital limit for England} = £18,000 - £14,250 = £3,750 \\
\text{Total capital over the limit} = £3,750 \\
\text{Total taken off weekly contribution} = \frac{£3,750}{250} = £15
\]
Paying for their own care

Working out how your loved one will pay for their care home fees can be an emotional time, especially when it comes to making decisions about the family home. Here we will run through their options.

Will they need to sell their home?

If they own their own home, they’ll either need to sell it or use it to generate an income, unless they have enough savings to cover the cost of their care. In that case, they’ll be able to pay cash and keep their home.

What if they jointly own their home?

As a joint owner, only their share will be counted as capital. This won’t always be an equal split, so they may need to provide some evidence.
How quickly would they need to decide if to sell or not?

Selling a house can take some time, which is why for their first 12 weeks in care the value of their home is not considered. This gives your loved one time to look at the different ways their home can help fund their care. We run through these options on the next page.

Rosie’s story

Mum was living with her sister Carol, who she owned her home with. Carol is 71, meaning they weren’t expected to sell their home.
Ways to pay

Everyone chooses to fund their care differently. Here we run through six options of how to pay using their home.

If they’re happy to sell their home, they can pay their care fees by:

1. **Using the cash from the sale**
   Once everything has gone through they can simply put their money in the bank and treat this as an income.

2. **Invest their money**
   If interest rates are low, your loved one could choose to invest the money from their house sale to try and generate a higher income.

3. **Care fee annuity**
   Care fee annuities are insurance policies that use some of their capital to create a lifetime income to pay for care. With this option it’s important to do some research, so we recommend speaking to an independent financial adviser.
If they don’t want to sell their home, their three options would be:

4. Deferred payment agreement

They can delay paying for their care by putting a charge against their home. The local authority would pay their fees as a loan with interest. This agreement could go on for many years, with their house only being sold if they were to pass away.

5. Renting out their home

This would create a monthly income to help them pay for their care. As a landlord, they’d need to consider any costs and taxes that need paying and if this leaves enough to fund their care home fees.

6. Equity release

They can choose to release some equity from their home, by re-mortgaging or selling off part of their home. This means they can use the funds tied up in their property now rather than when it’s sold.
Support from the local authority

If your loved one is eligible for funding it will be provided in one of two ways:

**Full local authority funding**

**England and Wales** – Fees are paid either directly to the home, or as a direct payment to your loved one, which can be managed by you if they’re not able to.

**Scotland** – Care home fees are arranged and paid for through the National Care Home Contract (NCHC).

**Partial local authority funding**

If they have over the lower capital limit, but it’s still below the amount they need to pay for their own care, the local authority will contribute towards their fees.
Personal budget
As part of their financial assessment, the local authority will work out a personal budget for your loved one. This is the total amount they have available to them to spend on care, including any personal contributions.

What if there are no homes within budget available?
Don’t worry. If the local authority can’t provide the option of a care home within the agreed personal budget that meets their needs, they must fund an alternative home.

What if they want to go to a more expensive home?
If the fees are beyond what the local authority are happy to pay, and they can prove your loved one’s needs could be met in a cheaper home, a third party like yourself can choose to pay the difference, but only in England or Wales. This is known as a third party top up fee.

Rosie’s story
The home mum liked best had higher fees than in her agreed budget, so I chose to pay a third party top up fee to cover the difference.
Changes to their financial situation

Over time your loved one’s capital is likely to go down, and in some situations, mean they go from paying for their own care to receiving some financial help. Those receiving help could also be eligible for more funding if they fall below the lower capital limit.

What happens if their capital falls below the capital limit?

They could be entitled to higher contributions or full funding depending on how much their capital and income has fallen.

If they go from paying for their own care to receiving local authority contributions, there may be a shortfall to cover their care home fees. But this can be covered by family or a friend.

When to ask for a re-assessment?

The process can take a few months, so it’s best to ask for one before they fall below the capital limit.

Who do we speak to about it?

Get in touch with their local authority’s adult social services department. Their details can be found at gov.uk/find-local-council
Rosie’s story

After a few years, mum’s capital fell close to the lower capital limit of £14,250, so we got back in touch with her local authority to see if they could help.

After another financial assessment, they said she had fallen below the lower capital limit and they would now fully fund her care. As her care home fees were above her agreed budget still, I was happy to continue paying the difference so she could stay where she was – she loves it there.
Additional support

No matter how their care is funded, they may be eligible for various benefits and support. You’ll find an overview of these below, but we recommend speaking to their local authority for full information.

Attendance Allowance

A weekly non-means-tested benefit is available to anyone over 65 in need of care or assistance. This is paid directly to the individual, usually every four weeks.

Rates from April 2018 – April 2019

- £57.30 a week if help is needed either in the day or at night
- £85.60 a week if help is needed both in the day and at night

Individuals who pay for their care themselves will be able to keep the full amount. However, anyone who receives local authority funding – either fully or partially – won’t be able to keep the full allowance.

Pension credit

Split into two parts, this benefit can help top up their weekly income. They may be eligible to receive one or both parts, depending on if their savings or income amount is higher than the basic state pension.
Check their eligibility

To find out what support is available to them, we recommended contacting their local authority. Simply visit [gov.uk/find-local-council](http://gov.uk/find-local-council) to find their details.

### Personal expense allowance

Anyone receiving local authority funding is entitled to keep some of their income each week to cover small purchases like toiletries, newspapers and clothes.

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<thead>
<tr>
<th>Personal expense allowance (per week)</th>
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<tbody>
<tr>
<td>England</td>
<td>£24.90</td>
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<td>Scotland</td>
<td>£27.00</td>
</tr>
<tr>
<td>Wales</td>
<td>£28.50</td>
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### Other benefits they may be eligible for include:

- NHS-Funding Nursing Care contribution (England and Wales)
- NHS continuing care (England and Wales)
- free personal care contribution (Scotland)
- free nursing care contribution (Scotland)
The cost of a Bupa care home

Our weekly fees vary depending on a few factors. From their care and clinical needs, to their chosen room and the location of the home. The best way to get a true idea of cost is to call us.

What’s the average cost?
Fees for care could range from £550 – £2,450 per week*, but the exact cost will depend on their specific care needs.

*Average fees correct at time of print in December 2018.

What do our fees include?
- 24-hour personal care
- 24-hour nursing care if needed
- Accommodation
- All meals and refreshments
- Utility bills
- Council tax
- Bed linen and towels
- Cleaning and laundry
- In-home activities
Get a guide price for a Bupa care home

If you have a specific home in mind or would like to get an idea of costs, we’d be happy to help. Guide prices will be subject to care needs.

Call us for more information

0808 301 5403

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Next steps

Now you have an understanding of paying for a care home, take a look at some of our other guides to help you on your care journey. To get your free copies, call us on 0808 301 5403* or download them at bupa.co.uk/care-services/care-homes/request-a-guide

Download your detailed guides
- A closer look at dementia care
- A closer look at short stays
- A quick look into care homes

Find your local care home online
Search for a home in your area using our handy finder tool finder.bupa.co.uk

Arrange a visit
To visit one of our homes or request a home brochure, call us on 0808 301 5403*.

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