

LATER-LIFE PLANNING – DOING THE RIGHT THINGS!

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I have been asked by Alice Cox, a long-standing client of HarperLees, to write a contribution to your excellent village newsletter, focused on essential planning for Later Life. No, this isn't about pensions or investments, but an introduction to the impact of long-term care and to encourage fundamental issues to be placed on your radar now rather than finding yourself in the midst of them later in life - more by accident than design.

This is the first of three planned articles:

1. **Long Term Care** – What you need to know and Why
2. **Lasting Powers of Attorney** – Ignorance is not Bliss
3. **Future Proof** – Lifetime security for Social Care funding & Ring-fencing Family Wealth

Firstly, why did Alice ask me? Well, there are a few reasons (other than the obvious one of being well qualified to do so):

- She's been through the full spectrum herself over a 29 month period from care in hospital, neurological nursing home, live in carers, pop-in carers, directly-paid carers and fighting for NHS Continuing Health Care funding for her brother.
- She learnt the hard way that had she been fully briefed and placed in a position to make 'informed decisions' before the event, her life would have been easier financially and emotionally. More importantly, the knowledge would have significantly impacted on better care and quality of life for her brother at the end of his life.
- Having supported my wife's 20 years care for her own mother, Alice knows that the subject is as 'personal' to me as it is to her. Like so many things in life, you only really understand and appreciate the purpose and value of matters once you have experienced them for yourself.
- Having been through it herself, Alice shares my passion to encourage people to open their minds to the idea of planning for later life (or even the worst – serious illness or injury) rather than the all too often 'head in the sand' attitude.

- Understanding and planning should help to reduce the burden endured to the minimum possible and ensure the best outcomes are achieved, especially quality of life, for all concerned. The old adage 'be prepared' takes nothing away from you, it only adds to your choices... informed choices!

An adviser for over 42 years, I am the founder of HarperLees, a small financial planning practice in Ingatestone, which celebrates its 25th anniversary in May 2021 (www.harperlees.co.uk). More specifically, I hold the acclaimed Later Life Accredited Adviser from SOLLA (Society Of Later Life Advisors), the leading professional body for the later life community <https://societyoflaterlifeadvisers.co.uk>

Sharing my wife's experience was a natural extension to our clients, who being primarily pre, at or post retirement are of an age to have parents, relatives, friends or spouses already in the care system or showing signs of future need.

Long Term Care – What you need to know, and Why

So, what is the context for reaching out to you?

- There are nearly 12 million people aged 65 or above in the UK
- In 2017 life expectancy at the age of 65 was to age to 86 for women and 84 for men
- As life expectancy has increased, time spent in poor health has also increased
- On average, women have 11 years of poor health in later life and men 10 years
- 1 in 14 people over 65 (7%) and 1 in 6 over the age of 80 (17%) have dementia
- 225,000 people are projected to develop dementia this year, equating to around one person every 3 minutes
- **Dementia is the key cause of disability in later life, a more common cause than cancer, cardiovascular disease and stroke**

I'm not deliberately focusing on Dementia in later life, but if you don't see the reality of the problem potentially facing you and/or your parents etc, why should you read this any further, let alone take any action?

Long term care is fundamentally polarised into two primary needs:

- **Health Care**, which is the responsibility of the NHS, funded either through Continuing Health Care (NHS CHC) in full (so no cost to you), including the major nursing home residential (often referred to as the 'hotel') element, or for health treatment costs only via a capped Nursing Care Contribution.
- **Social Care**, commonly referred to as Activities of Daily Living (eating, washing, dressing, mobility and using the toilet), which may be domiciliary (in your own home) or residential (in a care home), is the default responsibility of the Local Authority (LA).

A Financial Assessment will determine who is paying the social care bill, you or them. If it's you, you are in control, but if it's the Local Authority you're not.

It's no surprise that in these lean economic times, neither the NHS nor the Local Authority want care costs sitting within their budgets, so understanding the rules and getting the right care outcome is fraught with challenges and obstacles. Whilst charities such as Care UK have made a lot of information available, without specialist knowledge, access to a Care Navigator such as My Care Consultant or Care to be Different can make a critical difference to getting the right care and ensure the right party is paying for it.

If you are one of the very small minority who qualify for NHS Continuing Health Care then you're hopefully home and dry financially, with only the periodic re-assessments a disturbing glimmer on your horizon.

Unfortunately, the vast majority of later life long-term care needs fall under Social Care. Now your outcome is simple:

- If you have assessable assets over £23,250, you will default to being a self-funder
- Under £14,250, you become the care responsibility of the Local Authority

NB: Let's clear one myth up now...your home is not automatically taken into account if you, your spouse or a dependant continue to live in it.

Let's assume you fall into the first category, a self-funder, either with reasonable liquid assets (savings and investments) or an empty property as you've already moved into residential care. The cost of care will be determined by the care package needed or wanted. NB: there is a difference. A recent 92 years old client was determined by the joint NHS/LA assessment to need 4 x 30 minutes per 24 hours supportive domiciliary care but wanted to have a 24 hour live-in carer, as she didn't feel safe on her own with her conditions. There were significant cost implications, which we were able to assist her with.

Whether the need is physical, due to declining mental capacity or a combination, the costs of self-funding domiciliary or residential social care can be significant, particularly in our region. Expenditure on this scale for any other lifetime event would be planned, discussed and professional advice engaged. Later-life planning, including long term care, shouldn't be an exception.

As a society, we are reluctant to discuss money, ill-health or death with our families. However, early open discussions create a wider understanding of personal preferences such as; care at home rather than care in a home, non-resuscitation, cremation or funeral etc, and both directs and facilitates later life planning to be put in place. It also avoids family conflicts where clear direction and supporting authority to act hasn't been provided...a surprisingly common issue which can be difficult to overcome.

I'll address what to consider, the tools available, appointment of trusted attorneys and their legal responsibilities in my second article next month.

In the interim, I recommend reading local author Elizabeth Orr's personal experiences fighting an overwhelmed NHS/Local Authority care system in 'Who Can Care For Me Now?', available as a kindle download or paper back from Amazon <https://www.amazon.co.uk/Who-Can-Care-Me-Now-ebook/dp/B07J22ZSVW>

Being involved in providing advice to Elizabeth in the latter stages, I was privileged to contribute the Foreword to her book. At HarperLees, we issue copies to our clients as we believe it is a powerful catalyst for action.

My third article in March will address options to fund long term care and their respective impacts on the future inheritance available to the estate beneficiaries.

Please feel free to call or email me and have a confidential chat if you have any immediate concerns. At the very least, I should be able to offer support or direct you to another appropriate professional.

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