Care Fee Annuities

Taking the stress and worry out of paying for care

Advice on Care

Specialist Care Fees Adviser

One of the country's leading care fee advisers

A Society of Later Life accredited adviser

Impartially sourced and arranged for you from leading providers

AVIVA JUST. Legal & General

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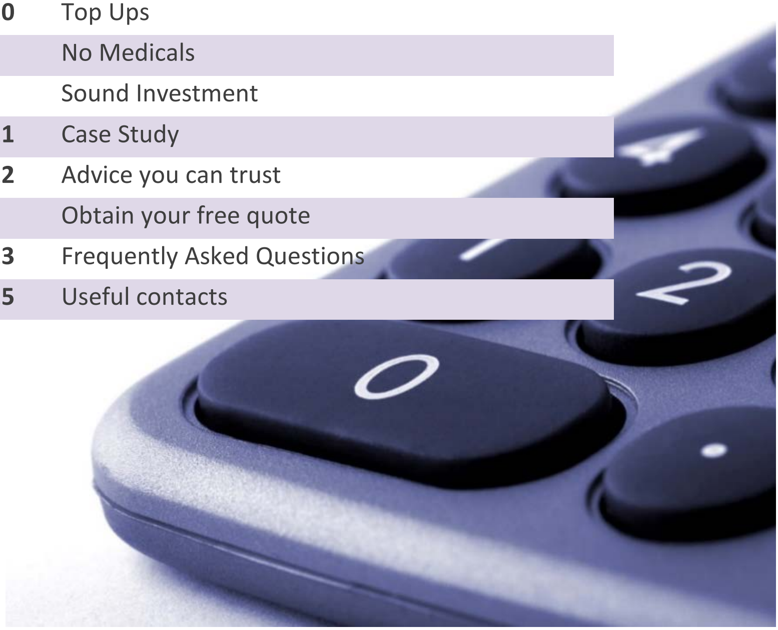

Unfortunately, 1 in 4 people who have to pay for their own care fees, run out of money*. Don't let this happen to your parent or relative...

Source: LGIU Independent Ageing Report, March 2013

Ensure they receive the care they deserve

Whether it's your parent or a relative, probably no one has done more for you than your family. That's why it's nice to know that when the time comes for you to care for them, you can assure them that they will always be able to afford the care they deserve - by buying them a Care Fees Annuity *(occasionally referred to as an immediate care annuity or care plan).*

What are Care Fee Annuities?

Care Fee Annuities are very tax efficient policies, offered by a select number of leading UK insurers, which aim to provide anyone needing care who is over 60, an indefinite guaranteed income to help meet care fees. In return for paying just one single premium at outset, you can:

- Receive a **Tax Free*** income for the rest of their life.
- Buy peace of mind that their money will not run out.
- Opt to receive some money ack in the event of early death.
- Opt for increasing benefits to meet annual increases in care fees.
- Ensure that any remaining money should be protected for beneficiaries.

In addition, for anyone who may otherwise be liable to pay Inheritance Tax, the premium paid will only reduce any remaining estate, and thereby help reduce, or even avoid, any tax being paid. *Please note: Tax rules are liable to change*.

Advice on Care are Care Fee Annuity experts who have been helping families secure the care they want for parents, even since 2004. In doing so we have arranged many plans for our clients such as ...

> *Mrs B from Horley who said .... "It gives us peace of mind knowing that our father's care is assured to end of life"*

We work for you

Being impartial, you can be assured that we will obtain the most competative quotes possible from all leading providers including:-

AVIVA JUST. Legal & General

Paying for care - at home or in a care home.

Whether you would prefer to receive your care at home or in a care home, providing you are at least 60, a care fees plan can help pay for it. Not only this but providing the plan benefits are paid directly to a registered carer or care home, the income they provide is currently paid tax-free *(although tax rules are liable to change)*.

What's more the plan remains portable, so if your parent or relative starts out wanting care at home but later needs to move into a care home, the payments can be re-directed to help meet the new fees, although if they are more expensive you may need to consider a further top up plan. *(See page 10)*

Meeting escalating care fees

Care fees are expensive and are only ever likely to increase. Can you be sure your parent or relative will be able to continue to afford the care they deserve, for as long as they require? If not, you should at least consider an annuity.

By choosing a Care Fees annuity with optional extra escalation you can stop worrying. These escalating annuities can be arranged to provide either a fixed annual increase (*of up to 10% p.a.)* or alternatively linked to inflation, meaning you will no longer have to worry about increasing care fees. Not only can these be set up so the benefits increase each year to help meet future increases in fees, but such escalation can be arranged to increase in the same month as any care home increases their fees - no matter when in the year you buy your plan.

For example: *Even if you apply for a care fees annuity in January and care fees are due to increase in April, you can request for the plan to start paying increased payments from April and each April thereafter – helping make concerns over care fee increases a thing of the past.*

Wanting Care at Home?

Equity Release could give you the money to pay for it or to buy a care fee annuity

For further information call the specialists

the equityrelease centre

on

Freephone 0800 180 4883

www.equity-release-centre.co.uk

Equity Release will reduce the value the value of your estate and can affect your eligibility for means tested benefits.

Capital Protection offers you money back even on death

The main benefit of a Care Fees Plan is to ensure care can continue indefinitely, but no one can predict just how long that will be for. It's therefore reassuring to know that even if this turns out to be quite short, one provider includes, free of charge, some limited and decreasing refund of premiums within the first 6 months but all providers offer you the chance to buy longer protection giving you the chance to initially protect either 25%, 50% or 75% of the premium. This additional protection helps ensure that if, by the time of any death the plan hasn't paid out in benefits, as much as you chose to protect, your parent's or relative's estate would receive the difference.

Capping future liability – Deferred Care Fees Plans

Faced with overseeing anyone's care, you may not only be alarmed at the very high cost of care fees and be worried that over time these could consume most, if not all, of their savings, but you may also be unsure about just how long your parent or relative may need the care for. If this is the case, you may prefer a deferred payment plan.

These offer you the same long term benefit of capping the eventual cost of care that an immediate plan offers, but under a deferred plan you agree at outset that the income should only commence after a set period of time, (typically 1, 2 or 3 years) and you will pay the care fees in the meantime. As a result the premium (which you still need to pay at the outset) can be cheaper.

So why consider a deferred plan? Well if death does occur early, the reduced premium + care fees you have paid, may be less than if you had purchased a plan providing immediate benefits. The only drawback under such deferred plans is; if death occurs before the benefits commence, you will receive no refund (unless with one provider it happens within the limited money back guarantee period currently 6 months).

A Care Fees Annuity gives you freedom of choice

Choice of where you receive care – at home or in a care home.

Choice of benefits:

- **Escalation** - So the benefits increase each year, either by a fixed annual percentage (of up to 10% p.a.), or by Inflation (Retail Prices Index).
- **To Protect a percentage of your premium** (25/50/75%) – So in the event of early death, you receive a refund of any difference between the amount of premium protected and total of benefits paid, by date of death.
- **To defer when benefits commence** (a deferred care plan)**.**

Plan Types and Benefits	Level - no capital protection	Escalating - no capital protection	Capital Protection	Deferred
Monthly income	✓	✓	✓	Starting after chosen deferred period
Quarterly or annual income	✓	✓	✓	Starting after chosen deferred period
Any refunds on death	**Not normally**, (unless you add optional capital protection), *although two providers do offer partial refunds in the first 6 months as standard*	**Not normally**, (unless you add optional capital protection), *although two providers do offer partial refunds in the first 6 months as standard*	Can initially protect up to 25% / 50% or 75% of premium	Only offered by one provider and only if death occurs within the first 6 months.
Pays for care at home and in a care home	✓	✓	✓	✓
Income increases each year	✗	✓ 0.5% - 10% options or linked to RPI	✗ Unless escalation is also requested	✗ Unless escalation is also requested


Don't let your parent worry about fees, ensure they receive the quality of care they deserve.
Request your free no obligation care fees annuity quote today.
Advice on Care
Specialist care fees adviser
0800 180 4336
www.adviceoncare.co.uk
SOLLA
Society of Later Life Advisers

Tax Benefits

Providing the benefits of a care fees plan are paid directly to a registered care provider (registered by a recognised care standards body such as the Care Quality Commission) and the income it provides is never larger than the cost of care, the benefits paid by such care fees plans are currently paid TAX FREE.

Not only does this mean that the premium will be cheaper than for a similar purchased life annuity, but you avoid the hassle of declaring it to HM Revenue and Customs! The tax benefits don't stop here either. For anyone who may otherwise be liable on death to pay Inheritance Tax (IHT), any premium paid to buy a care fees plan will only reduce their final estate and therefore any tax due. *Please note: Both Inheritance Tax and Income Tax rules are liable to change and should you decide to buy any capital protection, any refund paid would fall back into the estate.*

Money Back Guarantee

Whilst these policies cannot be surrendered or encashed, all providers want you to be sure the plan is right for you. That's why you will receive a 30 day Right to Change Your Mind when you receive your policy document, giving you sufficient time to ensure you are entirely happy with it. If not, you will receive a full refund (minus any money already paid to any care provider).

No Ongoing Premiums

Care Fee Funding Plans are purchased by paying just one single premium at outset, meaning that once paid, unless more expensive care is needed in the future (when you may want to consider buying a top up plan), you shouldn't have to find any more money. This not only helps cap the eventual cost of the care, but also gives you greater freedom to choose how to manage any remaining money and perhaps get better returns. Any such returns can then be used to help replenish some of the money used to buy the annuity.

Top Ups Available

Care needs will often increase. Whilst care at home may be suitable at the beginning, a move to a residential or nursing home may become necessary in the future. So, it's nice to know that rather than having to second guess possible future needs (possibly forcing you into having to ask for a larger benefit than is currently required), you can obtain top up plans **at any time** to provide any necessary extra income which may become necessary. Not only this but as such top ups will only normally be required when care needs have increased and this would normally only be when the person is older, they can often be obtained at a cheaper rate (as a result of the reduced life expectancy) – although this cannot be guaranteed.

No Medicals & No Intrusive Assessments

Arranging care for someone is difficult enough. That's why you will be glad to know that whilst such care plans are all individually priced - based on the medical history of the person needing care - no intrusive medical examination or assessment is required. Instead all providers calculate their premiums based on medical details they obtain from either the care home or the G.P. So, you can be assured your parent or relative will not be disturbed or require an examination.

A Sound Financial Investment

When you take out a care fees plan, not only will you be ensuring your parent's or relative's future care, but you will be investing with one of the country's most reputable insurers specialising in medically impaired lives. In addition, you will also have the peace of mind that the premium is protected by the Financial Services Compensation Scheme (FSCS). This means that in the unlikely event that any provider could no longer meet their liabilities; you would be protected for 100% of any outstanding liability - with no upper limit.

Case Study - Funding Mrs Jones Care

Mrs Jones' daughter and Power of Attorney Kathleen contacted us for advice on how she could fund her mother's residential care fees.

Mrs Jones a widow was aged 89 and had just moved into a nursing home after it was decided she could no longer remain living alone at home due to her increasing dementia.

After meeting with Kathleen, we quickly established that due to her mother's:

- House being worth £180,000
- Other savings being worth an additional £65,000
- Health not being sufficiently poor to qualify for free ongoing NHS care

She would need to pay for her own care.

Kathleen was concerned that if her mother needed a prolonged period of care she may not be able to continue to afford it, especially as the care fees were £25,000 per year more than her mother' s total income.

After discounting the idea of renting out her mother's property (as it was in need of considerable renovation), Kathleen had decided to sell her mother's home and wanted to find a way she could guarantee her mother's care indefinitely, especially as Kathleen was impressed with the care being received and wouldn't want to move her mother just because money runs out.

Solution

After obtaining quotes from all providers we were able to obtain a care fees plan providing a TAX-FREE benefit commencing at £25,000 p.a. but allowing for 5% increases each year for just £125,000. This was taken up as it meant that not only was her mother's care secured but £120,000 of her mother's money could be earmarked for the legacies her mother always wanted to make.

Mrs Jones is a fictional case and all premiums and fees are for illustration purposes only. We would be pleased to provide you with your own quotes FREE of charge

Advice You Can Trust and Depend On

We realise choosing how to fund a parent or relative's care can be very difficult, especially with the complex rules surrounding state funding. Don't worry, we are one of the internet's leading UK care advisers and are dedicated to offering our customers clear, precise and impartial care fees advice in their own homes.

We have been helping families pay for care ever since 2004 and are justly proud of our impartiality and professionalism. This is reflected in our Principal being a SOLLA (Society of Later Life Advisers) accredited adviser which is an accreditation audited by the Government's Financial Services Skills and Legal Partnership Council and we adhere to SOLLA's strict professional code of conduct.

This is echoed in our customer feedback we seek from every family we help such as Mr W from Newbury who said:

> ***The service I received was excellent - prompt, appropriate, adjusted to my needs and efficiently conducted.***

So, if your parent or relative needs care, don't settle for just any care, ensure they receive the care they deserve and call us today. *Advice on Care – dedicated to offering impartial care fees advice.*

Obtain your FREE quotes

These plans are not directly available from providers, so to request your FREE quotes, simply call us on…

FREEPHONE 0800 180 4336

Or

email: enquiries@adviceoncare.co.uk

Frequently Asked Questions

You may still have some questions, so we thought it might be helpful if we include some answers to the most frequently asked questions we receive. However, if you have any other question – simply call us on **Freephone 0800 180 4336** and we will be pleased to answer it for you.

Can a care fees plan be taken out just to cover the chance that care may be required in the future?

No – Your parent or relative must already need some degree of care or help with normal activities of daily life before they can have a plan, such as washing or feeding themselves, bearing their own weight, transferring from a bed to a chair, getting around, or alternatively suffering from some form of cognitive impairment such as Alzheimer's or dementia. There is, however, one limited insurance offered by a Friendly Society that can be taken in advance and will help provide some cover in case it is needed. For further details please give us a call.

Can a care fees plan be taken out even if my parent is already resident in a care home?

Yes - Indeed we often only receive enquiries once a parent or relative has been receiving their care for a few months and family start to realise just how quickly their money is disappearing.

What is the minimum age you can take one out?

The person needing care must be at least 60.

Is a Care Fees Funding Plan guaranteed to cover care costs?

No – The income provided by a level (non-escalating) care fees plan will never increase and because care needs and costs will change, even an escalating plan is never guaranteed to keep pace. However to minimise the risk every effort is made to ensure that any escalation, if selected, is adequate. Not only this we will endeavour to periodically re-contact you to ensure the plan remains sufficient and if not, obtain new top up quotes for you – once again free of charge.

Surely the premiums would be cheaper if I went directly to the insurers?

No – Due to the complexities of the rules surrounding funding care, none of the providers offer these plans direct to the public and will only direct you to obtain specialist advice from an adviser who has the experience and qualifications to help you, such as ourselves.

Not only this, but by working with you and fully exploring your parent or relative's financial situation, we will often be able to identify ways in which we can improve their income and / or reduce the amount of benefit required from any care fees plan. Thus helping you save money.

Is any annuity income lost if my parent becomes fully funded by the state?

No – The income will continue but it will be paid to your parent's or relatives' bank account and would then be taxed, albeit only a small element of each payment (the interest) will then be taxed. The greatest part – the capital element (which is made up of a monthly equivalent of the premium paid), will not currently incur any tax.

Do I need a plan which meets the full cost of care?

No – Even though your parent or relative is receiving care, they will continue to receive their pensions and may receive other benefits. So, to keep premiums as low as possible, we would suggest you request quotes just for the difference between the income which will continue to be received and the cost of care.

If quotes are based on individual medical records, how do we get quotes?

Simply call us on **0800 183 4336** or e-mail us on enquiries@adviceoncare.co.uk and we will send you a simple medical questionnaire for you to complete, and return to us. This will enable us to obtain your **FREE QUOTES** easily and simply from ALL providers – helping save you time and care fees. Don't forget as you incur no cost in us obtaining the medical reports, or receiving quotes, it really does pay to ask for a form and to find out just how affordable such plans and peace of mind can be.

Useful Contact Information

Benefits		www.gov.uk/browse/benefits/entitlement
Carers UK	Providers of information to unpaid carers	0808 808 7777 www.carersuk.org
Independent Age	A national charity that provides information online regards NHS CHC	0800 319 6789 https://www.independentage.org/information/advice-guides-factsheets-leaflets/continuing-healthcare-should-the-nhs-be-paying-for-your-care
Money Advice Service	Information on eligibility for NHS CHC	https://www.moneyadviceservice.org.uk/en/articles/are-you-eligible-for-nhs-continuing-care-funding
NHS Choices	NHS website providing advice on health condition and healthy living	www.nhs.uk/NHSChoices
Office of Public Guardian (England and Wales)	Supports and promotes decision making for those with lack of capacity.	0300 465 0300 www.gov.uk/browse/births-deaths-marriages/lasting-power-attorney

For help and advice on funding long term care.

Southern Office

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Published by:

Advice on Care

AOC 225 April 2020