

GUIDE



A Guide to Long-Term Care

This document contains important information and you should read it carefully and keep it safe for future reference.



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IMPORTANT INFORMATION

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Introduction

As we enjoy longer and healthier lives, largely thanks to significant advances in medical science and an overall improvement in living standards, the prospect of living well into our 80s and 90s has become a reality for many.

This extended longevity offers the opportunity to spend more time with loved ones, pursue passions and enjoy a rich, fulfilling retirement. However, it also brings with it the increased likelihood of encountering serious health issues, disabilities and general mobility issues as you age.

While living longer is undoubtedly positive, it does come with its challenges. Age-related conditions, such as mobility issues, chronic illnesses and cognitive decline are becoming more common as the population ages. These conditions can make routine activities, such as washing, dressing, moving around the house and preparing meals more difficult to manage independently. For many, these challenges can lead to a loss of independence, making it harder to maintain the quality of life that they once enjoyed.

In these situations, the need for long-term care becomes a critical consideration. Whether it's help with daily tasks provided by a caregiver at home or more comprehensive support in a residential care facility, professional care services can be essential in maintaining dignity and quality of life in later years. Planning for this possibility, both emotionally and financially, is an important step in securing peace of mind for yourself and your loved ones.

Home care

For many individuals, the prospect of remaining in their own home as they age is highly desirable. Familiar surroundings, the comfort of one's own space and being close to loved ones can contribute significantly to a sense of independence. Home care can be tailored to meet a wide range of needs, from occasional assistance with household chores to round-the-clock medical support.

There are two main types of at home care. These are:

Domiciliary care:

Also referred to as community care, this level of care is required for individuals who require assistance with everyday personal and household tasks such as bathing, dressing, toileting, preparing meals and general household chores.

Intermediate care:

This level of care is provided by the NHS for patients who need a relatively short burst of intensive medical care in the instance of recovering from an accident or a medical episode such as a stroke or heart attack for example.

This is usually provided in the individual's home but can also be provided in a care home if the individual's home is not suitable for the level of care needed. For example, if there are no downstairs washing or sleeping facilities and the individual cannot use the stairs. This is usually only available for up to six weeks.

£23-34

Typical cost of home care, per hour

£900-1400

starting cost for a live-in carer, per week

Typically, home care costs around £23–34 per hour but this cost varies depending on the level of care required, the frequency of visits and the location within the UK with London and the Southeast generally being more expensive. Should you need more in-depth care and opt for a live-in carer, these fees can start at around £900–1400 per week so requires significant savings and/or income in order to afford this.

It's important to note that local authorities may provide some funding for home care, depending on your financial situation.

A financial assessment will explore your pensions, earnings and savings to determine your eligibility for support, which could cover some or all of the costs.

You can contact your local authority's adults social care team for recommendations of home care providers that follow their standard of practice. You can choose to employ a care worker directly but if you do this then you take on the legal responsibilities of an employer.

Care in the home offers a more flexible, personalised approach to support that allows you to continue enjoying your independence and comfort in familiar surroundings. By understanding the costs and options available, you can make informed decisions that best suit your needs and financial situation.

For more personalised advice, consult with your financial adviser who can help you to explore funding options and incorporate these costs into your long-term financial plan.

Residential care

For those who require more comprehensive support that cannot be adequately provided at home, residential care offers a structured and supportive environment. Residential care homes provide round-the-clock assistance with daily living activities, offering peace of mind to both residents and their families.

Residential care homes cater to varying levels of need, from basic personal care to more specialised nursing care and as such, the cost of care varies significantly.

The main types of residential care include:

Residential care homes:

These homes provide accommodation, meals and assistance with personal care tasks such as bathing, dressing and medication management. They are suitable for individuals who need some help with daily activities but do not require intensive medical care. Across the UK the average cost of residential care is £1,406 per week totalling around £73,000 per year*.

Nursing homes:

In addition to the services provided by standard residential care homes, nursing homes offer medical care from qualified nurses. This option is ideal for individuals with more complex health needs, such as those requiring regular medical attention, wound care or ongoing management of chronic conditions. Due to the additional support required, nursing home costs are on average £1,558 per week totalling around £81,000 per year*.

Dementia care homes:

These specialised facilities cater specifically to individuals suffering from Dementia or Alzheimer's disease. They are designed to provide a safe, supportive environment with staff trained in managing the unique challenges associated with cognitive decline. Due to the specialist care that Dementia and Alzheimer's sufferers require, the average cost of care is £1,597 per week*. At the moment, people living with dementia in the UK have to fund the complete cost of their care, unless they have assets totalling less than £23,250.

Respite care homes:

These homes focus on specific conditions or disabilities, where the individual requires temporary support for example due to their carer being on holiday or due to an emergency. They offer tailored support to meet the particular needs of their residents and are on average £1,488 per week*.

*Source: <https://lottie.org/fees-funding/care-home-costs/>

Who pays for care fees?

Each region of the UK has its own specific thresholds for care funding. If your savings exceed your region's upper threshold, you will be considered a 'self-funder' and will be responsible for covering the full cost of your care. If your savings fall between the upper and lower thresholds, you may be eligible for partial funding from your local authority. If your savings are below the lower threshold, you will qualify for full funding from your local authority.

For 2025/26, the UK savings thresholds are as follows:

Country	Upper threshold	Lower threshold
England	£23,250	£14,250
Northern Ireland	£23,250	£14,250
Scotland	£35,000	£21,500
Wales	£50,000 for care homes £24,000 for home care	N/A

For those with significant and ongoing healthcare needs, the NHS provides a package known as [NHS Continuing Healthcare \(CHC\)](#). This is a fully funded care package covering care in a variety of settings, including residential care homes, nursing homes and even care in your own home.

Eligibility for CHC is strictly assessed based on the nature, complexity, intensity and unpredictability of your healthcare needs. If you qualify, the NHS will cover the full cost of your care, regardless of your financial situation. However, obtaining CHC funding can be challenging, and many people require professional assistance to navigate the assessment process.

If you are not deemed eligible for CHC but are deemed to require nursing care, you may be able to access [NHS funded nursing care](#). This will cover the costs of a registered nurse; however, the funding does not cover care home accommodation or food costs.

Planning ahead

Given the complexities and potential costs involved in funding care, planning ahead is crucial. Work with a financial adviser to explore options such as savings, investments and insurance products that can help to cover future care costs.

Your pension income plays a critical role in funding long-term care. If you have deferred taking your pension benefits, these can be considered as notional income in financial assessments for care support. It's essential to understand how drawing from your pension might affect your eligibility for other benefits and the overall financial strategy for your care needs which is where the support of a financial adviser becomes essential.

You should also consider setting up a Lasting Power of Attorney to ensure that someone that you trust can make decisions on your behalf if you're unable to do so. This is also a good time to review your will and estate planning to ensure that your wishes are clearly defined.

Care costs and funding availability can vary widely by region, so it's essential to understand what's available in your area before you get to the point of requiring the care. Planning for long-term care is a crucial part of securing your future well-being and financial security. By understanding your options, exploring funding solutions, and taking proactive steps now, you can ensure that you receive the care that you need without compromising your financial stability or legacy.

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The Financial Conduct Authority does not regulate Lasting Powers of Attorney, Wills and Estate Planning.

