



Supporting Your Elderly Loved Ones

Five steps to help you **plan**
for the moments that matter.



Supporting Your Older Loved Ones With the Challenges of Later Life

As our loved ones advance through their later years, complex generational and family issues may arise. Understanding these and anticipating them allows you to focus on the moments that matter.

We want to make sure you can comfortably look after your older loved ones – as well as yourself – when the time comes. With the help of an expert, you can have peace of mind that your elderly parents are safe and cared for.



Our legal and financial experts can help you plan for the moments that matter.

Supporting elderly parents with living arrangements.

Whether that's staying in the family home, moving in with a relative, moving to a retirement home, or moving into care, each move can be emotionally difficult for all the family.



If you have a loved one who might need to move out of their home, it'll help to understand what they might be going through, and the issues you all need to consider.



Peace of mind that you're able to act on your loved ones behalf.

Have your loved ones planned for the eventuality that they may be unable to make their own decisions? You can help make decisions on their behalf if a Lasting Power of Attorney (LPA) is in place.

If an LPA is in place and you're appointed as an attorney, you'll need to understand your role and responsibilities to ensure you are acting in their best interests.



Wills, inheritance and passing down wealth to the next generation.

As people grow older, their finances and assets can become more complex and advice is essential to ensure their wishes are met.



Having an updated Will in place is the cornerstone to inheritance tax and generational planning. It ensures that the value of their estate isn't unnecessarily reduced before reaching those they wish to benefit.



Five Steps To Help You Plan for the Moments That Matter

1 **Estate planning and inheritance tax (IHT) planning**
Supporting and guiding your elderly loved ones with estate planning is about ensuring they're able to live comfortably for the rest of their life. It's also about fulfilling any wishes.

a. Have your elderly parents got an up-to-date Will?

Many Wills are not kept up-to-date, meaning they may miss possible tax planning opportunities or fail to benefit the right people.

This is especially true if life events have meant a change in the family circumstances. These might include a death in the family, a relationship breakdown, the arrival of new grandchildren or step grandchildren.

b. Have they made plans for passing down their wealth effectively?

Safeguard any plans your loved ones may have to pass on wealth to the younger generations by making the most of the inheritance tax reliefs and exemptions available.

Small lifetime gifts can be made in any one tax year; there are even special exemptions on gifts to those getting married. Gifts in trusts are also a very tax-efficient way to move assets outside of an estate.

2

Managing your wealth

Have your loved ones thought about how they will pay for later life and care fees? Have they looked into their pensions benefits, setting up a trust and support with passing on wealth?

The advice of a financial planner will help manage the wealth of your loved ones by reviewing their current situation. Using cash flow analysis, they can check where your loved one would stand in the future, this can include paying for care fees, sale of a business or gifting lump sums for IHT reliefs where appropriate.

3

Lasting Powers of Attorney and becoming an attorney

When supporting your elderly parents, there's a few factors to consider:

a. Lasting Power of Attorney (LPA)

If your relatives lose the capacity to make decisions further down the line, having an LPA in place will allow you to make health and financial decisions for them. This will require the preparation and registration of both a health and welfare and a financial LPA. Our experts can explain how this works, and how the different types of Power of Attorney can be registered, activated and used. It's worth bearing in mind many care homes require a health and welfare LPA to be in place before your loved one can move into care.

a. Becoming an attorney

Acting as an attorney for someone can be a huge responsibility, but we can work with you to ensure you receive the best quality advice on the practicalities and liabilities surrounding acting as an attorney.

Only 1% of the UK adult population have an LPA and 45% of people over the age of 45 are unaware of what an LPA is.



4

Planning for care

Choosing how and where your loved ones will receive care requires a lot of consideration.

Not only do you need to choose what best meets their needs and wishes, you may also have to consider how your loved ones care will be funded long-term.

We can give advice on funding for care fees and set out the options available. We understand that preparing for later life can be a big task, which is why we don't just provide specialist legal advice – we also support and guide you and your loved ones through the whole process.

5

Get expert advice with a trusted advisor

Our reputation for supporting families and their loved ones is second to none.

From working with the elderly and vulnerable, private clients and the Court of Protection (COP), our highly specialised teams combine powerful legal knowledge and experience with care and consideration to ensure that our clients receive the best possible support and guidance.

Supporting your elderly loved ones checklist



Check there is an up-to-date Will in place



Check if there is an LPA in place



Are there any gaps in their plans?



Make a list of what you and your loved ones need guidance on



Book a consultation



Key Questions To Help You Support Your Elderly Loved One

We recognise that later life can create complexity, and can sometimes bring additional family issues. We understand the challenges these events bring. We'll help anticipate them in advance, giving you peace of mind that it's already taken care of.



How will a Lasting Power of Attorney help me to support my elderly parents?

If there's no Lasting Power of Attorney (LPA) in place and your parents lose mental capacity to make decisions for themselves, it will be difficult to manage their affairs and welfare as they wish.

An LPA will help to make decisions necessary to protect their best interests. Without an LPA you might have to apply to the Court of Protection for a deputyship order so that you can make decisions on their behalf, this can be expensive and time consuming. By making an LPA now, your parents can decide who will make those decisions for them and appoint an attorney. An attorney can be a family member or they can appoint a professional attorney to ensure their wishes are respected.

When considering LPA's or being appointed as an attorney, it's important to understand how the different types of Power of Attorney can be registered, activated and used. Even if the Power of Attorney is valid and has been registered, an attorney may not be able to take decisions in all circumstances. If there are jointly appointed attorneys, all attorneys must act together and in the event of death, mental incapacity or (in the case of a spouse) divorce of any of the attorneys, the authority of all attorneys appointed will be terminated, unless a replacement attorney has been appointed. Our advisors can help with any issue relating to attorneyships and can provide a comprehensive package to deal with all your concerns.



My elderly parents both have multiple pensions – how should these be managed to ensure wealth built up over time is protected for the future?

First and foremost, it's vital to ensure that your parents have completed expressions of wish for each pension as this tells the trustees who is to receive the pension savings death benefits and are entirely separate to their Wills. Without these, the trustees have limited discretion to make payments sensibly.

Secondly, it's worth understanding what death benefits are available and how they will be taxed. Some schemes have very limited capacity to pay death benefits, and it can sometimes be worth moving providers to improve this position.

A financial adviser will be able to identify the benefits payable and advise your parents accordingly.



Will my parent have to sell the family home to pay for care?

For many, the family home is their most valuable asset and often used to fund care needs. There are many considerations to try and preserve the home as an asset, including the type of care such as domiciliary care or a care home.

Depending on resources, they may be able to fund care privately. This can be achieved through a combination of income (pension, dividends, rent) and drawing down from capital (typically a pension pot or investment portfolio). Fees can be a significant burden with the average cost of care per year costing £27,000 to £39,000*.

To help cover these costs, they might be able to rent out their property or purchase a care annuity, but there are pros and cons to these options. There's no single financial solution that will suit everybody, so specialist financial advice about the most appropriate way to structure your assets is essential.

With the help of a financial planner who can identify the current and likely ongoing costs of care, prepare a cash flow analysis, and accurately forecast what income and capital will be needed over various time-frames.



Only around the top 10% of retired households by income can afford to pay for nursing homes.

It's also worth remembering that although it might be tempting to give away assets to get below the limit where you will need to pay for care, this could backfire.

The local authority can treat any such gift as invalid if it can be shown that a significant reason (it does not have to be the only reason) for transferring the assets was to qualify for funding. When identifying what is termed as 'deprivation of capital' the local authority aren't restricted in how far back they can look. However, the further back in time an asset was given away the harder it may be for the authority to establish any connection with a future financial assessment.



What should we look out for when considering a care home and care home contracts?

There's not always time to prepare fully for a loved one to move into care.

However, when moving into care, it's crucial to take the time to understand the care home contract and always seek legal advice. Check that you and your elderly parents understand all the terms and challenge any that appear unfair. Check if any terms assume personal liability as an attorney, deputy or next of kin, making you liable for the care fees.



Is setting up a pension a good way for my elderly parents to gift to their grandchildren?

Pensions can be a very powerful way to get grandchildren started in the world of investing.

Their pension will have a span of anything up to 65-70 years before they need to call on the investment. In that time, compounding of returns will make a huge difference, turning a contribution at birth of £1,000 into potentially £40,000 or more. It's important to remember that such pensions will be inaccessible until at least age 58 for children starting their first pension today. So it's important that you speak to an expert to consider all options including Junior ISAs alongside pensions, which can be accessed by a child or grandchild when they turn 18.



Ready to get started?

Whoever you are, and wherever you're going, we want to help you reach your goals.

If you'd like to get started on planning for the moments that matter, call us on **03308 088 816** or contact us **online** to find out more about how we can help you. We'll cover the cost for your initial call and there's no obligation to go any further.

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