# Estate planning urgency accelerates as new care cost strategies emerge



As the summer holidays fade, many find themselves ready to tackle the lingering tasks they've deferred throughout the season. While priorities often lean towards home repairs, vehicle upgrades, or construction projects, there is a pressing matter that often goes overlooked but bears significant importance—estate planning.

Estate planning encompasses critical legal steps such as setting up Power of Attorney (POA) and establishing property trusts, which are essential in safeguarding one’s assets and ensuring control over financial and legal affairs. The urgency is heightened by the fact that these measures cannot be arranged retroactively, and costs associated with them are likely to increase over time.

A Power of Attorney is especially crucial. Without it, if an individual becomes incapacitated due to illness, accident, or even conditions as seemingly minor as a high fever, their loved ones may be powerless to manage financial matters, access bank accounts, or pay bills on their behalf. Financial expert Martin Lewis has underscored this risk on his ITV programme, Money Saving Expert, highlighting the misconception that family members can access funds without formal authority. Tony Marchi, principal at ILAWS, emphasizes that POA is not solely for the elderly or those with dementia but is a necessity for anyone facing unforeseen incapacitation. Given delays in processing POA applications by Scotland’s Office of the Public Guardian—with current backlogs dating to submissions from the previous year—early action is advisable. ILAWS offers to arrange POAs at a competitive price, underscoring that prompt preparation can avoid more significant complications and costs later.

Estate planning also plays a pivotal role in mitigating care home fees, a significant financial concern for many, especially those over 60. Current estimates suggest that one in four people over 60 will require a stay in a care home towards the end of their lives. The threshold for qualifying for council support in covering care home fees in Scotland is holding assets valued at £32,750 or less. Since a primary residence counts as one of these assets, individuals risk losing their homes to cover escalating care costs if proper protective measures are not taken. Mechanisms such as Protected Property Trusts (PPTs) and property transfers can shield assets from these fees. A PPT, for example, allows couples to continue owning their home while protecting the deceased partner's share from being included in the estate liable for care fees. Legally transferring ownership to trusted relatives while retaining the right to live in the home also helps prevent the property from being counted as an asset when assessing care needs. Tony Marchi notes that these solutions are often less costly than a single week's care fees and provide lasting peace of mind.

Beyond trusts and transfers, alternatives to selling one’s home to fund care exist but come with complexities. For instance, NHS Continuing Healthcare (CHC) may cover care costs entirely for individuals with primary health needs, easing the financial burden. However, qualifying for CHC involves stringent and often confusing eligibility criteria, making professional advice essential. Deferred payment agreements are another option that lets individuals delay selling their homes to pay for care until after death. These strategies underline the importance of tailored advice to navigate the potentially overwhelming financial and legal landscape.

There are persistent misconceptions about asset protection, such as the belief in the so-called "seven-year rule," which suggests that gifting assets seven years prior to entering care exempts them from assessment. In reality, local authorities can investigate such transfers at any time and will consider whether there was deliberate deprivation of assets to avoid care fees.

The financial strain of care home fees remains acute, particularly amid rising costs and limited state-funded care availability. In England, for instance, many families face the distressing necessity of selling family homes to fund long-term care. While government proposals to cap care costs offer hope, delays in implementing reforms contribute to ongoing uncertainty and force many to seek alternative financial strategies.

In summary, estate planning is vital not only for managing day-to-day affairs but as a critical safeguard against the potentially devastating financial consequences of incapacity and care home costs. With professional guidance available, individuals can prepare their affairs efficiently and cost-effectively, ensuring they and their loved ones face fewer uncertainties in difficult times. Agencies like ILAWS, with decades of experience and high client satisfaction, offer accessible options including free consultations to help people start this essential process without undue stress.

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* Paragraph 1 – [[1]](https://www.pressandjournal.co.uk/fp/lifestyle/6846759/importance-of-estate-planning/)
* Paragraph 2 – [[1]](https://www.pressandjournal.co.uk/fp/lifestyle/6846759/importance-of-estate-planning/)
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* Paragraph 5 – [[1]](https://www.pressandjournal.co.uk/fp/lifestyle/6846759/importance-of-estate-planning/), [[3]](https://www.homeinstead.co.uk/yeovil-bridport/blog/what-is-the-7-year-rule-for-care-home-fees/)
* Paragraph 6 – [[2]](https://www.ft.com/content/1a9c9097-8d31-4ac7-8716-63951631beaa), [[4]](https://www.which.co.uk/money/pensions-and-retirement/financing-later-life-care/care-home-finance/care-home-fees-ak7lP4h1owcg), [[5]](https://www.safeharbor.co.uk/arranging-care/care-costs)
* Paragraph 7 – [[6]](https://www.ft.com/content/e01724a4-c2ea-4abd-a652-652865e0e1a8)
* Paragraph 8 – [[1]](https://www.pressandjournal.co.uk/fp/lifestyle/6846759/importance-of-estate-planning/), [[2]](https://www.ft.com/content/1a9c9097-8d31-4ac7-8716-63951631beaa)

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## Bibliography

1. <https://www.pressandjournal.co.uk/fp/lifestyle/6846759/importance-of-estate-planning/> - Please view link - unable to able to access data
2. <https://www.ft.com/content/1a9c9097-8d31-4ac7-8716-63951631beaa> - This article addresses the concern of whether individuals need to sell their homes to pay for long-term care. It explains that selling a home is not always necessary, as alternatives like NHS Continuing Healthcare (CHC) may cover care costs for those with primary health needs. However, qualifying for CHC can be complex. If CHC eligibility is denied, individuals may need to self-fund their care if their assets exceed certain thresholds. The article also discusses deferred payment agreements, which allow individuals to delay selling their property until after death, and emphasizes the importance of seeking professional advice tailored to individual circumstances.
3. <https://www.homeinstead.co.uk/yeovil-bridport/blog/what-is-the-7-year-rule-for-care-home-fees/> - This article clarifies the misconception that gifting assets seven years before entering a care home exempts them from financial assessments. It explains that local authorities can investigate asset transfers regardless of timing to determine if there's been deliberate deprivation of assets to avoid care fees. The article outlines the financial thresholds for care funding across the UK, noting that individuals with assets above certain limits must self-fund their care, while those below may qualify for partial or full support from local authorities.
4. <https://www.which.co.uk/money/pensions-and-retirement/financing-later-life-care/care-home-finance/care-home-fees-ak7lP4h1owcg> - This guide provides an overview of care home fees in the UK, detailing the financial assessment process conducted by local authorities to determine eligibility for care funding. It outlines the capital limits for care funding across different UK regions, specifying the upper and lower capital limits that influence whether individuals need to self-fund their care or qualify for partial or full support. The article also discusses the means test, which considers income and assets, and the personal expenses allowance, ensuring individuals retain a minimum income for personal use.
5. <https://www.safeharbor.co.uk/arranging-care/care-costs> - This resource explains how care home fees are determined in the UK, focusing on the means test used by local authorities to assess an individual's ability to pay for care. It details the capital thresholds for different UK regions, indicating the amount of assets individuals can have before being required to self-fund their care. The article also discusses disregarded assets, such as the value of a primary residence under certain conditions, and emphasizes the importance of seeking professional advice to navigate the complexities of care funding.
6. <https://www.ft.com/content/e01724a4-c2ea-4abd-a652-652865e0e1a8> - This article highlights the financial challenges individuals face due to rising care costs, particularly in England. It discusses the high expenses associated with care homes and the limited availability of state-funded care, leading many to sell family homes to cover costs. The piece also touches on proposed reforms, including a cap on care costs, which have been delayed, contributing to financial uncertainty. Experts recommend various financial strategies to manage these costs, but the absence of effective government action remains a significant concern.
7. <https://www.care-fees-annuity.co.uk/resources/paying-for-care-faqs/> - This FAQ section addresses common questions about paying for care in the UK, focusing on capital thresholds that determine whether individuals need to self-fund their care or qualify for support. It provides the current thresholds for different UK regions, specifying the amount of assets individuals can have before being required to pay for their own care. The section also discusses changes in funding, including the postponement of a cap on care costs, and suggests considering care fees annuities as a potential solution for managing care expenses.