

Preparing for the Unexpected: A Family Guide to NHS and Social Care Planning in England

Why Planning Ahead Matters.

Life can change suddenly due to any of the following:

Terminal illness (e.g., cancer diagnosis)

Life-changing or fatal accidents

Long-term disability of a family member

These events affect not just health, but also finances, housing, and the whole family unit. Understanding your options ahead of time reduces confusion and protects your loved ones when a family member or individual may require complex medical or nursing care that cannot be provided by the family. Thereby requiring NHS Social Care involvement.

What You Need to Know (England Only)

1. NHS Continuing Healthcare (CHC)

Fully funded care by the NHS for people whose primary need is medical

Not means-tested

Requires an assessment by a multi-disciplinary team

2. Local Authority Social Care

This form of community care delivery is from a private provider, administrated via the local authority.

It provides help with daily living (washing, dressing, eating, etc.)

It is a Means-tested service:

Recent changes in legislation have now removed the Lifetime Cap of £86,000.00 on the maximum payable in care fees (Oct 24) There is now no limit.

Highest Threshold. Assets of £100,000.00 are considered the new upper limit. – (All social care costs have to be paid by the individual.)

Lower Threshold. Assets and savings including income/ shares/ dividends/pension – below £20,000.00 – State pays care costs.

Universal Credit. If patient receives UC, care may be fully funded by the local authority, but the Council will recover any DWP benefits such as care components of Attendance Allowance or elements of Universal Credit.

This is a complex area to navigate and requires evidence of personal finances, such as income, bank statements, and outgoings in order to process an Assessment correctly.

Property may be included in the financial assessment unless:

A spouse, disabled relative, or dependent child lives in the home.

3. Protecting the Family Home

If a disabled adult child lives in the home, or the home is inhabited by a spouse, the property is usually excluded from means testing. Ask for a “property disregard” in financial assessments.

Legal Tools Every Family Should Have

Lasting Power of Attorney

(Seek an LPA) for: Health & Welfare and Property & Finance. (This ensures the person with control has power over medical management, and social decisions as well as property and financial administration).

Ensure all senior family members have made a valid Will, reviewed regularly.

Appoint Executors to administrate your Will and your wishes after your death.

Advance Decisions: (Living Wills) to record treatment preferences / Organ donation, and end of life wishes.

Consider property ownership - seek legal advice on transfer of assets to dependents because the UK laws are complex, and there are strict rules on gifts of cash or property.

Capital Gains Taxation. Assets gifted or transferred will impact the tax status of the family members as beneficiaries.

Always seek qualified advice from an independent financial advisor, as legislation changes with every parliament and often following a budget made in the autumn.

Make a family plan. Discuss where possible the wishes of family members before it is too late.

Responsibility for care and management of our older generations always falls upon the younger descendants. Discussing decisive plans at regular intervals (minimum 10 years) from the age of 50 is considered a prudent planning technique for all families and permits tax efficient methodologies for asset management across all genders and age groups.

Do not make the mistake of thinking terminal illness only strikes the elderly.

Accidents can happen that devastate young families, which underline the importance of planning and particularly the preparation of joint Wills, and protecting assets in joint ownership.

After Death: Inheritance Tax (IHT)

Nil-rate band: £325,000

Residence, nil-rate band: £175,000 (for direct descendants)

Any value of property and estate over £500,000 is taxed at 40% unless exempt

Property can be the main asset.

After probate is agreed. Tax is due on the estate and penalties plus interest will accrue if the monies are not paid to HM Revenue and Customs.

Calculating assets. Assets are not just cash under the bed or in the bank. They include value in stocks and shares, antiques or art, such as paintings or sculpture, investments, life-insurance, equities, bonds, rental properties, cars, motorcycles, motorhomes, plant, machinery & equipment. Items that might be passed between

families may also be considered of value for IHT purposes and form part of the estate for tax purposes.

Shared ownership: Split or partial ownership of assets is not uncommon, particularly in connection with larger assets, held via syndicates. Tax experts will offer professional assistance on shared property assets, such as racehorse ownership, fallow land, agricultural land, woodlands and assets held abroad.

There are major changes to Inheritance Tax (IHT) for family businesses and liabilities arising for sons or daughters wishing to continue running the business after the deaths of both the matriarch and patriarch. Seek professional advice as soon as possible to secure the future of the business.

Tax planning and holding assets in Trust. – Discuss complex cases with specialists. When there is no cash to pay the IHT tax due because all the value of the estate remains in the equity in the property; the executors acting for the beneficiaries must try to negotiate. If they do not wish to dispose of the property to free up the capital, HMRC will sometimes allow an agreement to make payment by instalments over 10 years (with interest).

If a dependent lives in the property:

They may be able to bring a claim under the Inheritance (Provision for Family and Dependents) Act 1975 to remain in the home
Speak to a solicitor about this as soon as possible.
Trust advisors.

Community Action Tips

Encourage families to talk openly about care wishes
Organise local talks or clinics on care and estate planning
Support carers in accessing assessments and respite
Raise awareness of NHS CHC and property protections.
Consider cultural and ethnic sensibilities, traditions and requirements and how these may play out with the UK systems, and the taxation rules of the country of residence.
Owning assets abroad, and how these form part of the deceased's estate for the purposes of probate and administration.

Disclaimer: *This handout reflects the law and guidance in England as of June 2025. It is intended for community information only and does not replace legal or financial advice. For individual cases, please consult a solicitor or regulated adviser.*

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