

Six Conversations That Every Family Must Have

-Before it's too late



by Nicholas Ash F.Inst Pa.

Six Conversations that Every Family Must Have

Every Family has a need to communicate across the generations, but the sad truth is that most don't. Even when they do the difficult things go unsaid.

This guide is designed to help you to broach difficult subjects with Parents, Grandparents and younger family members. It is about getting your affairs in order and avoiding future problems.

Our first two conversations centre around **Lasting Powers of Attorney (LPA)** and deciding who should be able to make decisions in the event of a loss of capacity.

Conversation One: LPA Property and Financial Affairs. This power means you bills will get paid, your home will be maintained and insured. Your investments will be managed for your best interests. Ultimately if required your attorneys could sell your home.

When putting this document in place you need to consider who you trust to make financial decisions. Who is the most appropriate person and what are the practical considerations. There is no point in appointing your son to be your sole attorney if he lives in Australia.

With this power you can appoint up to four attorneys and they can work individually or jointly – the choice is yours.

An LPA allows you to express your preferences and even to place restrictions on how your attorneys can act. But bear in mind that your attorneys are bound by law to act in your best interests at all times. So, don't use restrictions to tie them in knots.

Six Conversations that Every Family Must Have

Conversation Two: LPA Health and Welfare. Arguably this is more important than the financial LPA, although you should have both. It enables your family to talk to your doctor and the people who are treating you without the worry of patient confidentiality getting in the way. It means that the people you trust will be making decisions about care for you – not the local authority. At the end of life your attorneys could make the decision to let you go with dignity, or to keep treating you based on what they know about your wishes.

Patient confidentiality is important, but when dealing with an elderly relative's affairs it can be a huge barrier to effective communication. Standing in a hospital being unable to discuss a parent's condition with a physician is frustrating and might not lead to the best outcome for a patient. This LPA avoids the issue.

When it comes to care issues without an LPA it is your local authority's social care department who have decision making powers. They used to have a duty to consult the family before decisions were made, but since the 2014 Care Act this no longer exists.

If you want your family to have control of care decisions if you can't make them for yourself then you need an LPA for Health and Welfare.

End of life decisions. Most people have a set idea of what should happen at the end of their life. Many people wouldn't want to linger on a life support machine, they would prefer to be let go with dignity. Others really want treatment to continue until all avenues have been exhausted. Whatever your view you should discuss it with the family so that they can be sure that the right decision is made on your behalf at the end of life. Again, an LPA for Health and Welfare places this decision in your attorney's hands.

Six Conversations that Every Family Must Have

Conversation Three: Your Funeral. The most difficult thing you will ever be asked to do is to arrange the funeral of someone that you love. Sitting in front of an undertaker trying to make decisions, about the service, the coffin, the flowers and the music is close to emotionally impossible. The worst answer to these questions is 'I don't know' but ask any funeral director and he will tell you that it is the most common answer. Of course, it doesn't have to be like that if you have talked about it in advance.

At the funeral, the mourners will line up and tell you what a lovely service, but will you ever know that the service you arranged was 'what he would have wanted'. Wouldn't it be great to know that they were right because you had it all planned?

There are some great free resources that you can use www.Plan-my-funeral.co.uk enables everyone to create a free funeral plan that suits them.

Imagine your family being able to hand over a fully formed plan to a funeral director. It would make their lives so much easier.

Paying your Funeral costs in advance is a sensible and logical next step. Everyone is entitled to a funeral. By paying for it in advance you can reduce your assessable assets (for care cost purposes) and it means that come the end of your life your family will have more to distribute to your heirs. It also means you get your funeral at today's prices which can mean a significant further saving for your estate.

Six Conversations that Every Family Must Have

Conversation Four: Making sure your Will is up to date. Two thirds of people don't have a valid up to date Will. You need to ensure that yours reflects your circumstances and your wishes before you need long term care. Your Will is also one of the best ways to protect your assets for future generations.

In making or updating your Will you can ensure that the right people deal with your affairs by choosing appropriate executors. You choose who will inherit your estate and can ensure that there will be no arguments after you die.

But, your Will is more important than that. A correctly drawn Will can protect your property and other assets from the Taxman. It can stop your home being sold to pay for your spouse's care. The right advice can save tens of thousands in Inheritance Tax by making the right use of allowances.

An up to date Will is more important than ever. Sweeping changes to inheritance tax in 2017 rendered many Wills written before 2007 obsolete. Yet most people haven't reviewed theirs. A current tax efficient Will could mean a tax saving of £100,000 for a married couple leaving their estate to their family.

Of course, most people don't talk about it and the things that need to be done don't get updated.

Six Conversations that Every Family Must Have

Conversation Five: Caring for an elderly relative who has already lost capacity. If you have an elderly relative who needs care but has already lost capacity it is not too late. An application to the Court of Protection could see you appointed as 'Deputy' for your relative. This means that you will be able to make financial decisions on their behalf and in their best interests. You may also be able to make the care decisions that need to be taken to protect your loved one.

A deputyship order is not something that you should do from choice, but from necessity. Given choice everyone would have Lasting Powers of Attorney in Place. But things happen and sometimes it is too late and action after the event is needed.

To make an application to be a Deputy you will need professional help. Your advisor will help put your case to the courts. You will need to show that you are the right person to look after the person who has lost capacity. You need to show that you are fiscally sound and that you can be trusted by the courts.

A deputyship order can take between six and nine months to be granted and when appointed you will be subject to the supervision of the Court of Protection.

It is often the only option where a relative has lost capacity. If you are in this position the sooner you and your family act for the benefit of your relative the better.

Six Conversations that Every Family Must Have

Conversation Six: Long Term Care, the three words that provoke anxiety, fear and confusion in the older generation. But it doesn't have to be like that. Our most frequently asked question when dealing with older clients is 'How can I best protect myself if I need care?'

So today we are going to look at the issues, and the discussions that families need to have before a person needs care.

Who, When and Where. Care doesn't just mean a care home, there are many forms of care, most people's first experiences will be some sort of care in the home. The first conversation that you need to have as a family is about attitudes to care. Many people want to be cared for in their own home for as long as is possible. Others may choose sheltered accommodation. Some realise that a care home or nursing home is right for them. Whatever your attitude towards care make sure it is known and shared amongst those who may have to make decisions for you.

The Cost of Care. It isn't cheap, whatever solution you choose. A carer visiting the family home for an hour morning, noon and night will cost around £75 a day. People forget that weekends and holidays are a part of the care cycle, so the daily cost is for 365 days a year – Meaning that the cost for care in your own home will be an additional £27,000 per year on top of your normal household expenses.

Care homes cost from around £550 per week up to £1,000 per week, with an average cost being around £800 or £41,600 per year. For this you get 24/7 care. When you consider the savings that you will make from not having your normal household expenses and the potential income that can be gained from renting out the family home the difference between care in the home and a residential facility is not that great. Specialist care facilities can cost much more so be careful if you have specialist needs.

Six Conversations that Every Family Must Have

People often talk about 24/7 live in care as being the gold standard of care. You continue to live at home, but you have carers that live with you. There are people who offer this facility, or you can employ staff yourself. But be aware that to cover 24/7 care with the legal minimum wage, and maximum working hours you will need to have a team of five carers. Costs for this would range between £100,000 per year and £130,000 per year.

Who Pays. In most cases the person receiving care will pay the bills. If you have over £23,250 in assessable assets, then you are liable to pay the whole cost of care. Below £14,500 and the Local authority will pay. What is assessable varies depending on your circumstances and the care that you are receiving. This is an area where it really pays to take professional advice well in advance.

One of the most surprising thing about care is that people forget that they are the customer. They act as a patient or in some cases an inmate. Often, they put up with poor levels of service and shoddy treatment without saying a word. In all other areas of life if you were spending up to £1000 per week you would expect the very best most luxurious service. It should be the same with care provision.

The Role of the Local Authority. Your local authority has three roles. Firstly, they will provide a Care Needs Assessment when asked to do so. This does what it says on the tin and provides you with a plan for your needs. This is closely followed by a financial assessment. Judging your ability to pay and what, if any, support you may be entitled to. Their final role is as funder of last resort. If you have assets below the threshold of £14,500 your local authority will fund your care.

A Warning - Recent legislation has removed the local authority's duty to consult with family. So, they can make care decisions without reference to your loved ones.

Six Conversations that Every Family Must Have

This is a big subject. Will & Probate Services have been specialist advisors in this complex area for some 13 years. We can help you in all the areas mentioned, we can facilitate family meeting and discussions. We will ensure that all the legal documents are correctly drawn up and reflect your wishes. Currently only 7% of people take any sort of professional advice before entering care – make sure you are one of those.

Book a free consultation to protect yourself and your family. Talk to us today we can help – Call 0800 612 4584. More information is available on our website www.will-probate.co.uk



Will and Probate
s e r v i c e s
Wills | Trusts | Estate Planning