

BEGINNER'S GUIDE TO PAYING FOR LONG-TERM CARE

If you need care, the first step is to work out what level you need and if you can afford it. We'll guide you through the process, including how to check if you qualify for funding.

Sort your finances first

Sorting out your finances early helps you and your loved ones make quick decisions about your care. You can:

- Talk to them about how you want your money managed, so they can step in if needed.
- Consider making and registering a power of attorney for legal control over your finances.
- Write or update your will to ensure your wishes are followed, making things easier for your loved ones.

Check if you're entitled to any benefit payments

See our guide [Benefits to help with your disability](#) or care needs to find out what you could be entitled to. You might qualify for extra payments that could boost your income, such as:

Attendance Allowance – if you're State Pension age or over and need help with personal care because of an illness or disability.

Personal Independence Payment or Adult Disability Payment – if you're over 16 and under State Pension age.

Disability Living Allowance – if you're under 16.

Consider if family could care for you instead

Moving in with family might work well, but it can significantly affect everyone's lifestyle. It's important to be realistic and make sure you and the family have the same expectations.

Here are things to consider:

- who would provide the care you need?
- how much rent and bills would you pay (if any)?
- who would pay for any adaptations to the home?
- what happens if you fall out or living together doesn't work?

Moving in with someone else might also affect your (and their) finances, such as:

- changing entitlements to benefits or Council Tax and Rates discounts
- not being eligible for support if you sell your house.

It's therefore important to protect yourself by getting independent legal advice, which might include a formal agreement. See [Solicitors For The Elderly](#) for more information.

It might seem awkward to discuss these things, but it should help make sure that moving in with someone else is the best option for everyone.

Our guide [Talking with older people about money](#) has tips to help you get the conversation started.

Check if you qualify for funding

You might get some or all your care paid for, depending on your needs and finances. Here's how to check.

1. The NHS might pay if you have a disability or medical problem

Sometimes, the NHS pays for care home costs for people with serious health needs. There are two ways it does this:

NHS continuing healthcare covers ongoing medical care for those with complex health needs due to a disability, accident or major illness.

NHS-funded nursing care (Hospital Based Complex Clinical Care in Scotland) can help cover care home fees if the NHS decides you need nursing care.

These don't depend on your money situation, but there are strict rules for who qualifies. Find out more in our guide [NHS continuing healthcare and NHS-funded nursing care](#).

2. Ask for a care needs assessment

A care needs assessment decides what level of care and support you need, based on how well you can manage everyday tasks. You can ask your local council or Health and Social Trust for one, depending where you live.

If you live in England or Wales, Northern Ireland or Scotland, contact your:

England or Wales	GOV.UK – local council
Northern Ireland	HSCNI at nidirect
Scotland	mygov.scot – local council

3. Prepare for a financial assessment

If your care needs assessment shows you need paid care, like a place in a care home or for someone to visit your home, a financial assessment will be arranged. This 'means test' is to decide if you can afford to pay for it all yourself, or if you qualify for any funding.

You'll usually be asked about your:

regular income – like earnings, benefits and pensions, and
capital – like savings, investments, land, property and business assets.

To help prepare, gather information for any account you have or income you receive. For example:

- savings accounts, including ISAs and premium bonds
- investments, including stocks and shares you own
- property or land in your name, and
- disability-related expenses you have.

If you have joint finances, like a savings account with your partner, or own a home together, it's assumed you have an equal share – unless you can prove otherwise.

Funding depends on how much money you have

You'll usually be expected to use part of your income to help pay for care. But some income doesn't usually count, such as from paid work.

If your capital is worth more than the upper savings and capital threshold shown in the table below, you'll usually need to pay the full costs of your care yourself:

Upper savings and capital threshold for any local council funding

England	£23,250
Wales	£24,000 (care at home) or £50,000 (care in a care home)
Scotland	£35,000
Northern Ireland	£23,250

Lower savings and capital threshold for maximum local council funding

England	£14,250
Wales	£24,000 (care at home) or £50,000 (care in a care home)
Scotland	£21,500
Northern Ireland	£14,250

If your capital is lower than these amounts, it's typically assumed you receive an income from some of it. This is calculated at a set rate, known as the tariff income.

The value of your home might not be counted

If you're a homeowner, the value of your home isn't usually counted if:

- you'd still live there, to receive care at home
- you move to a care home, but certain people still live there, like:
 - your husband, wife, partner or civil partner
 - a close relative who is unable to care for themselves or age 60 and over
 - a close relative under age 16 who you legally support
 - your ex-husband, ex-wife, ex-civil partner or ex-partner if they're a lone parent.

There might be other circumstances too, such as if your previous carer gave up their home to live with you.

How your pension is assessed

If you don't yet receive a pension income, your local council or HSCNI won't consider your pension until you reach [State Pension age](#) – currently age 66 for most.

They typically check how much you'd get if you bought a guaranteed income for life, known as an annuity. This figure might also be used if you decide to take a lump sum and keep the rest invested (known as flexible income).

If you take lump sums or your whole pot in one go and save or invest it, this is usually treated as capital or income,

depending on the value.

Your assets are counted even if you give them away

Some people might consider giving their house or assets to a family member to avoid them being counted in a financial assessment.

But this can be seen as a deliberate 'deprivation of assets' and means their value will still be considered when your finances are assessed. This is known as "notional capital".

England or Wales [Age UK](#)

Northern Ireland [Age NI](#)

Scotland [Care Information Scotland](#)

Wales [Age Cymru](#)

4. You'll be told if you qualify for funding

You'll be sent a letter explaining the cost of your care and how much you need to pay. There are usually three outcomes. You'll either:

- get all costs paid
- need to pay a portion, or
- need to fund it all yourself.

If you have any questions about how your financial assessment was calculated, you can ask the council or HSCNI to explain it to you.

If you're eligible for funding

If you qualify for help, you'll usually receive a personal budget in one of two ways:

- a [direct payment](#) to your bank account each month, or
- your local council or HSCNI manages your care and sends you a regular bill if you have anything to pay.

If you need a care home, you should be offered a choice to suit your needs. But you might be able to choose a more expensive care home if someone else pays the extra, known as a top-up fee.

This could be from family and friends or a charity fund. Find out more about care home top-up fees at [Age UK](#)

If you need to sell your home to pay for your care, you'll be told if you're eligible for a 12-week property disregard. This is where the value of your home isn't included in your financial assessment for 12 weeks, giving you time to sell it or consider other options. During this time, the local council will contribute to your care home fees.

If you don't want to sell your home (or it's hard to sell), you can ask for a [deferred payment agreement](#). This means your local council effectively lends you the money to pay for your care costs. The debt is then repaid when your home is sold. There isn't a formal deferred payment system in Northern Ireland. But you can still speak to your local HSCNI about how it can help.

If you have to fund your own care costs

If you don't qualify for funding, you'll be responsible for paying the full cost of your care. However, your council or HSCNI must review your finances annually. Find out more in our guides:

[How to pay for your long-term care at home](#)

[Ways to pay care home fees](#)

[Help paying for your care costs if you're running out of money](#)

5. You'll need to request a new financial assessment if things change

If your financial situation changes, such as starting to receive a State Pension or inheriting money, you'll need to request a new financial assessment.

This could mean you become eligible for more or less financial support. Either way, it's important to tell your local council or HSCNI about any changes to ensure you receive the appropriate help.

How to get advice on paying for care

If you have savings and capital and want to work out the best way of paying for care, it's important to get advice.

A specialist care fees adviser is a financial adviser who specialises in long-term care funding. They'll help you compare all your options before you decide what's right for you.

Find out more in our guide [Help funding care – how to get advice](#).

Check for insurance policies to help cover the costs of care

Before paying for care, check if you can claim on an existing insurance policy. If you have health insurance, it might help cover costs. Look for policies such as:

- life insurance with cash-in value or payout for terminal illness, as long as it's not needed by dependants
- life insurance with critical illness cover

- long-term care insurance, which might be included in older policies
- employer benefits, like early pensions or lump sums for terminal illness
- personal income protection policies that provide income if you can't work due to ill health.

To claim, gather all the original paperwork and contact your broker if the policy was bought through one.

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