

Over-55s put travel before saving for care

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Thousands of elderly people have to cover the cost of their home care
GARETH FULLER/PA

Nine out of ten adults aged 55 or over have not put anything aside to pay for care costs in old age, according to research by the consumer group Which?.

Fifty-five per cent said that they put things they wanted to do, such as travel, first. Only 34 per cent had discussed care preferences with a friend or relative and 19 per cent did not know where to find information about future care.

The report showed that their expectations of good-quality care were low. Only a third said they thought that they would receive good care, with roughly the same proportion saying they were unlikely to.

The government is preparing a green paper on social care in a further attempt to find a path through a complex policy area. Anything beyond medical care is means-tested and thousands of elderly people must pay for the personal care they receive in the home or in a residential setting.

The issue was at the heart of Theresa May's disastrous election campaign last year, when she proposed making more people pay more before quickly reversing course.

Which? said its research found that Google was the first place people turned to when looking for information on care. Twenty-three per cent said that they would turn to the search engine, while 15 per cent would speak to their doctor and 9 per cent would speak to a family member or friend.

Smaller proportions said they would contact their council or the Care Quality Commission, which regulates and inspects health and social care, or a social worker first. When asked to think about what changes they would make if their health and mobility did deteriorate, 92 per cent said that they would be willing to adapt their homes and eight in ten said they would use a cleaner or gardener.

Which? wants the government to take these findings about consumer behaviour into account to improve the social care system. Alex Hayman, the Which? managing director of public markets, said that the current system was broken and failing to deliver high-quality, affordable care when people most need it.

One proposal being considered by the government is a “care Isa”. Under the scheme people could pay into an Isa specifically for care, with money left over after they die passed on free of inheritance tax.

Comments

Andy Twitchett

Hmm, so let me see. I can spend all my money having fun now and the government will fund my care when I need it, or I can save my money and spend it on care. Hmm, yes I think I know what I will do..

Edward Locke

Some people save and others spend. The savers end up meeting the cost of their own care, and the spenders get it for nothing (in the case of home care). There will also be people who take equity release and spend the money on enjoying themselves. The system certainly does need to be reformed.

peter openshaw

Edward Locke

Are you sure that home care is means tested? I think not. The financial advice I have received is to spend it, a view shared by my progeny, but I'm b*****d if I know what to spend it on. I spent a huge proportion of my adult life in airports and hotels, so that's out. I used to drive 30 000 miles a year, but now 4 000 and I prefer the latter, so I don't need anything more than the Golf that I have. Any ideas? I don't often agree with you, but the system needs to be reformed for sure.

Sam Day

Who'd have thunk, eh? Now, where's my passport as I am off to Italy in October for the second time this year and am going to check out a brand new BMW later this week, or should I plan to hand that money to the Government in IHT or Care Tax?

peter Openshaw

You should watch Waiting for God, available on youtube and probably elsewhere. It is a triumph of TV comedy and Stephanie Coles is superb.

Francophile

As an under 70 I agree, except that I'd never have the courage to end my own life. However, I'm letting it be known that I wouldn't want my life officiously prolonged once immobility, dementia or chronic illness make it pointless.

peter openshaw

I'm not an expert, but I have the impression that home care is not means tested.

Ian Tinn

I'm not sure it is worth saving for care costs. The government takes almost everything that you have, regardless whether you have earmarked it for the purpose. Of course, if you spend everything first, the government then gives you the same care but doesn't charge. Given those facts, can someone please tell me why anyone should save for their care costs?

peter openshaw

Ian Tinn

There is no answer to that. The state should determine the true cost of proper, no thrills, professional care and either provide it (as here in France) or contract it out (not to G4S) and subsidise everybody to that extent. If people want bells and whistles they pay. If the government cannot afford it then there will need to be tax increases, just like in France.

peter openshaw

If there were an easy answer, someone would have found it by now. I am well over 55 and, as it happens I pay tax in France so in all likelihood I would be subject to the rules here. Also, as it happens, I would have to live to an entirely improbable age to exhaust my resources, but that is not the point. On this and other subjects we are receiving mixed messages from the government.

On the one hand it is saying that the babyboomers have robbed their children and on the other prevent them from rectifying the situation. On the one hand it is saying that one should save for future care and on the other that there is no point. On the one hand it says that you pay your income tax and NI on a redistributive basis and on the other that that is far from the end of the redistribution. My mother lives (just) in a care home where some of the residents are referred by the council whereby the "cost" is picked up by the council and others pay, albeit with some assistance from the state. The problem is that the "cost" picked up by the council is somewhat less than the cost, with the result that those who pay are paying 30% more than the council is paying to effectively subsidise the said council. The fact that this is eroding her childrens' inheritance is neither here nor there since it is not a lot of money anyway and they can manage without.

The political dilemma is where does redistribution begin and end? Taxpayers are lead to believe that social justice, as determined by the collective conscience, is managed through the tax system, only to be told in old age that they have been lead up the garden path. There should be no two bites at the cherry. If the tax system is insufficiently redistributive then it should be changed. If you've paid your tax and NI you are a citizen and entitled to the services like everybody else.

Briz

How can over-55s (or anyone) save anyway? The interest rates are pathetic and any other investment involves risk.

peter openshaw

Briz

A good point that could be seen as a transfer of wealth from the baby boomers to their children. My first mortgage was at 14%, the second at 17%.

Robert Hardcastle

Because people have actually sussed out that if you take the cruise then you get the care for free from the people who didn't take the cruise. Its that simple.

CJA

If over 55s are reducing their savings or not putting anything aside for when they need care then I have 2 suggestions because we are going to have to extract the extra money somehow. The first would be to continue to pay NI past retirement treating occupational pensions in exactly the same way as earned income. Only those in receipt of decent pension income will therefore pay. Secondly only those poorest pensioners, perhaps those who are in receipt of pensioner credits should receive free prescriptions, bus passes, winter fuel allowance and free tv license. Ring fence income from the first and savings from the second for care costs.

Peter Richardson

CJA

I have a bus pass which I rarely use preferring to walk to the local Park and Ride as services are much more frequent and the fee is reasonable. I fail to understand why a bus pass can be used throughout the UK instead of in the issuing county alone. A restriction would also contribute funds much needed.

Rachel Brett

Peter Richardson

There are loads of retired people who use the bus pass, in fact ,when I do use the buses, it is mostly the older generation who are on them, because they can't drive (lost the ability) and it gets them out and about. I think the only thing that shouldn't be withdrawn is the bus pass, because it keeps the older generation active and in touch with their community, as opposed to being isolated and alone

peter openshaw

CJA

I pay tax in France (and you're welcome to join me in that). Are you saying that occupational pension is not taxed as earned income in the UK? I am told that it is not here, but await confirmation. That would be a little relief, though I have no objection to paying what is considered due.

Martin M

If you're responsible and save, the govt takes you to the cleaners to fund your care. If you are irresponsible and don't save, the govt ensures the taxpayer pays for your care (often in the same institution with the same benefits). Clearly the govt wants to incentivise irresponsibility.

NoMoreAggro

Martin M

That's the story of life though isn't it.

GofS

Big flaw in the care system... we, the older part of the population, believed we paid NI for care.. Now we seem surprised we have had people living longer and we don't have the money to cover it. This could be seen as a fraud perpetuated by all flavours of governments.... taking the money but knowing it won't deliver the promised benefits. Interestingly British life expectancy in no longer increasing, I've no idea why that is.. but is the government taking note..

Hairy Cat

GofS

Like all taxation NI only pays for current expenditure. There is no pot of money you contribute to that is drawn on later in life. There is no fraud at all - that's how taxation works. Also NI is mainly a social security tax, paying for social security benefits, and only a small fraction is diverted towards health-related expenditure. Some entitlements to social security benefits (principally the state pension) are based on have a "NI Contribution Record" but paying contributions is only one of several way of adding to that record.

GofS

Hairy Cat

I don't dispute how it works, I dispute the proposition of the word "insurance" that then fails to payout. Had successive governments not decided to use the money collected as current expenditure things would have been different. I can understand why they spent the money as soon as it came in, it looked good for them. But I also understand they took the money from us knowing they wouldn't be able to deliver on their promises.

Briz

GofS

Well said GofS.

David H

We already paid for care with our NI contributions. If there isn't enough in the pot to pay for care, then increase the level of contributions !

Hairy Cat

David H

There is no pot and never has been. NI is a social security tax that pays most of current social security expenditure.

At 55, a woman has a life expectancy of 29 more years, and a man 26. Consider what £1 bought 25 years ago, and what it buys now. Then consider what the pound you save today is likely to buy in 2043.

Joe in Suffolk

in extremis, the government will pay for my care but it won't pay for my cruise. No brainer!

Francophile

Life is surely for living. It seems natural that people devote their resources to an active retirement: travel, pursuing their interests, eating and drinking well, maintaining a comfortable home to which to welcome family and friends. Few of us can muster the same enthusiasm for the contingency of a final stage of life spent passively in a care home. Why then should we ration what we can enjoy now to save up for a later possibility that we wouldn't enjoy anyway? That said, it is sensible to have something set aside for the much lower costs of having help in the home to preserve one's active independence, to the end if possible.

Broadside

Ecclesiastes 8:15, 'Then I commended mirth, because a **man** hath no better thing under the sun, than to eat, and to drink, and to be merry'.

Francophile

Broadside

Take therefore no thought for the morrow: for the morrow shall take thought for the things of itself.

Delacroix

I suspect they are refusing to do so because being responsible means all their hard earned wealth gets confiscated by the state to subsidise their feckless aged cohort. This is why means tested does not work - it zaps any incentive for the responsible to stay that way. Personally, the only people who should be offered care are people with no family whatsoever who can also prove they have been destitute for years. Otherwise, much like children, your family is your burden.

GofS

Delacroix

Oh my god, I'm a member of the feckless aged cohort... I'd paid my not inconsequential NI contributions all my working life.. now the benefits of this non-voluntary tax are not there. I think a fraud by successive governments. If we had the choice of paying NI or making our own private arrangements for things may have been different.

jks

Why should I pay for care when others get it free because they have no funds? I will then end up subsidising them.

Hairy Cat

jks

Perhaps because you live in a civilised country?

Gerry

Why should anyone save for old age if the government is going to take all your money away either through care home charges or inheritance tax?

John D Finlay

Gerry

Absolutely. If social care is means tested, why would anyone hold on to their means if they could give them away to family or spend them on holidays?