

# JUST.

## NEWS RELEASE

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### Over-45s more prepared than government to take tough choice on social care, says Just Group after further delay to Green Paper

- *New report highlights falling number think taxpayers will pick up cost of their care*
- *Housing most likely source of funding, 1 in 3 would sell their home to pay for care if needed*
- *But more than half admit delaying financial planning for care until new rules are introduced*

The over-45s see tapping into the equity in their homes as the most likely source of funds if they need to pay for care in later life but are unlikely to start making financial plans until new rules are introduced, according to Just Group.

The specialist financial services company said the Government's decision to delay the publication of a green paper on social care to the autumn – the latest in a long line of policy postponements – will undermine care planning further as people maintain a “wait and see” stance on care planning.

As it launches its new report – ***Property and paying for care*** – Just Group said the evidence is that the over-45s are more willing to face up to tough choices than recent governments with a growing recognition that individuals should be responsible for meeting their own costs in later life and an acceptance of the role of home equity as a source of funding.

“With the number of over-80s set to nearly double in the next 20 years there is a desperate need for clear direction so this latest delay, on top of all the others, is a serious setback,” said **Stephen Lowe, group communications director at Just Group**.

“This research shows significant numbers of over 45s see the value tied up in property as part of the solution to care funding so there is a level of pragmatism to build on. Yet we know from previous research that more than half are delaying care planning until the new rules are introduced.”

Over the six years Just Group has carried out its research, the proportion of people saying they expect the State to pay for care has fallen from more than half to less than one-third.

Questioned about how they would pay if they needed to, one-third (33%) of over-45s mentioned selling their home. That compares to 31% saying savings, 28% pension and income and 28% who thought the State would pay. More than one in five (21%) said they did not know how they would cover the cost of care.

“Rates of home ownership are highest among pensioners so property equity has the potential to deliver many more billions into the care sector. People are receptive to using property wealth at least up to a limit, with the State stepping in after that.”

The research found one-third (33%) agreed that the State should not pay for those who could use value in the home to pay for care, compared to 35% who disagreed and 32% with no opinion.

But where someone has a home worth £500,000 and no other assets, nearly seven in 10 (69%) thought care costs should be reclaimed from the house sale after death. That was split 13% who said up to the full value of the home should be reclaimable and 56% saying up to a limited value of which most agreed the limit should be 50% of the home value or less.

“By far the biggest problem is that people don’t know how the system works or what their financial responsibilities are, and they need government to stop delaying these decisions,” said Stephen Lowe.

“We need a national conversation about paying for care and part of the debate needs to include the role of incentives in motivating people to making plans earlier in life.”

## Enquiries

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### Notes to Editors:

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- Individually underwritten retirement income products delivering a guaranteed income for life and flexible pension plans offering customers the options to blend secured and unsecured income;
- Long term care plans that provide those people moving into residential care with peace of mind by knowing a regular payment will be made to the care provider for the rest of their life;
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