

Thursday 30th March 2023



Unlucky for some – 13-year freeze on means-test limits forcing more elderly into paying care costs

- Limits would be 40% higher if they had been increased in line with inflation
- Spring Budget speech silent on funding crisis in adult social care

A 13-year freeze in means-test limits is dragging increasing numbers of elderly people into meeting their own care costs in later life with no government action expected until 2025 at the earliest.

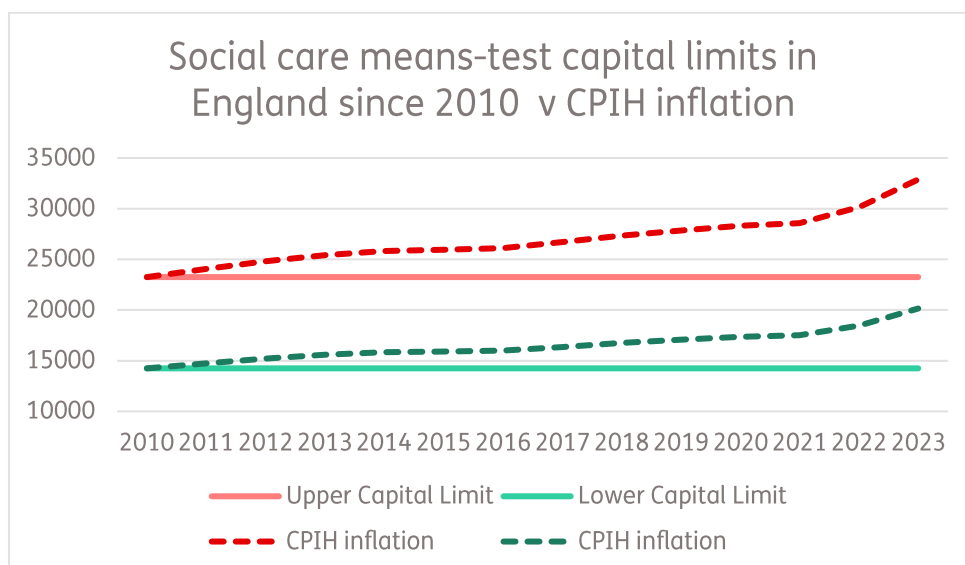
The means-test limits – the point at which people in England become eligible for local authority support towards the cost of their social care – have not changed since 2010/11 resulting in a real-terms reduction of nearly one-third, forcing more individuals to meet their own care costs.

Analysis by **retirement specialist Just Group** found that, had the limits kept pace with inflation, the current Upper Capital Limit of £23,250 would have reached £33,000 while the Lower Capital Limit would have increased from £14,250 to nearly £20,150.

This has contributed to an increase in the proportion of the 350,000+ UK care home residents self-funding from about 38% to 43% since 2010.

“If the limits were fair in 2010 then why allow the value to erode so much since then?” asked **Stephen Lowe, group communications director of Just Group**.

“Until now, low inflation has masked the growing unfairness but it will affect increasing numbers until a proper solution is put in place. I think many people were surprised that, despite huge problems in the sector, there was no mention of adult social care funding in the Budget Speech.”



People assessed as needing care undergo a means-test to work out if they qualify for funding from their local council. In England, those with assets of less than the Lower Capital Limit of £14,250 are funded by the council, while those with between £14,250 and the Upper Capital Limit of £23,250 are eligible for some help. Above this, they pay all their own costs.

Government proposals to reform care funding, including a cap on care costs alongside more generous upper and lower limits of £100,000 and £20,000, have been pushed back to at least 2025.

“It’s a growing problem that will affect many thousands of the most vulnerable people each year, both those receiving care in their own home as well as residents of care homes,” said Stephen Lowe.

“Research for our Care Report last year found 48% of over-45s are delaying planning for care until the plans are introduced. The government need to grasp this nettle – you can’t expect people to plan for care when they don’t know what the rules will be.”

ENDS

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Notes to Editors:

1 – Just Group Care Report 2022: <https://www.justadviser.com/globalassets/just-adviser/documents/10th-anniversary-2022-care-report.pdf>

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