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Financial Planning for Adulthood:

Understanding Benefits, Appointeeship and Future Decision Making

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Benefits - what changes and when?

Check out https://www.mencap.org.uk/help-and-advice/money-and-benefits/benefits/universal-credit

Savings need to be less that £16,000 to claim Universal Credit, ideally less than £6,000

UC can be claimed before 18, if you claim it at 16, parents will loose child benefit.

UC can be claimed even if in full-time education if P is classed as:
- disabled and was assessed as having limited capability to work before starting the course and was getting PIP or DLA

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Child Trust Funds

Can only currently be accessed after age 18.

If the person lacks capacity to manage their finances, and hasn't got capacity to make an LPA, the only way to currently access those funds is a Court Protection order for Deputyship

Consider - Can the money be left? Is it worth accessing?

The Government has said recently it will review how to change this but there is no timeframe for when or how the changes will work yet. Maybe some more news in the new year?

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What about dealing with a person's money?

Appointeeship only allows you to deal with benefit income. It won't allow you to open a bank account, book a holiday or enter into a contract on the persons behalf, including a tenancy.

If the person lacks capacity to manage their finances in most cases someone will need either:-
Lasting Power of Attorney,
Deputyship Order.

If the person has capacity to say who they want to look after/help them with their money, they could make an **Lasting Power of Attorney.**

If they don't have the ability to do this, you will need to apply to the **Court of Protection for a Deputyship order**.

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Appointeeship

- Benefits only, no legal authority.

- If a person lacks mental capacity, they can’t open a bank account. Some banks will keep an account open if it was already in the person’s name. So generally the benefits will be paid into an account in your name.

- Ideally keep money separate to your own for financial assessments and to prevent safeguarding allegations.

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So when do I need more than Appointeeship?

If you are considering supported living for the future.

If you can’t open a bank account to separate their money out from the families.

You don’t have to have it to manage a direct payment. You can manage this as a ‘nominated person’. The Local Authority can agree you are the Nominated Person to manage a Direct Payment.

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LPA or Deputyship? What's the difference between an LPA and Deputyship? Which do I need?

Lasting Power of Attorney - If a person has mental capacity to understand what a Lasting Power of Attorney is, (i.e a legal document to officially appoint someone to make decisions for them, (for health or finances) **and** can choose and weigh up who a good person to appoint would be,)

Then they *may* have enough capacity to be able to make an LPA.

You need someone who knows the person well to certify the document to confirm they understand the document they are signing.

Make sure that person has a conversation with the person signing the document and they should record the discussion they have with the person in case it gets challenged.

https://www.mencaptrust.org.uk/guides-lasting-power-attorney

It must be registered with the Office of Public Guardian. OPG fee is £92 for each LPA. Fee exemption if on income related benefits

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LPA or Deputyship?

What's the difference between a LPA and Deputyship? Which do I need? What do I have to do once I am a deputy?

Deputyship

If a person lacks capacity to make an LPA, then the only way another person can make legal decisions for someone is to be appointed by the Court of Protection to do so as their Deputy. This application generally takes 9-12+ months.

You need someone independent to sign the COP3 form to say they lack capacity to make the decision. Consider, what do you need a Deputyship Order for? Eg. supported living, child trust fund ?

For Property and Finances - this is generally relatively straightforward application (although lots of forms).

There is a fee exemption if P has savings of less than £3,000. If savings over that, the COP fee is £432. for H&W applications, its your savings.

Once appointed, you must open a separate bank account and keep records of all financial transactions and do an annual report to the OPG.

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How to get LPA or Deputyship?

Information on both is on the Gov website:-

LPA - you can complete online but need a certificate provider to sign to say P understands what they are signing. This can be someone who knows them well or a practitioner eg GP or social worker.

Deputyship - an online application. You need a Practitioner COP3 form to say P lacks mental capacity. We can do these assessments or a GP or social worker might.

Solicitors can do the application forms for you but will charge significantly to do them.

We can complete the capacity assessment and support you to complete the application forms but can't give strict legal advice unless through the legal practice.

We charge for this but less than a solicitor.

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How can I plan for my child's future?

Rent/Housekeeping

When P turns 18 and receives their own benefit entitlement eg. UC, it's fair and reasonable to take housekeeping from them.

They are now a separate person financially.

So split bills and pay for their items from their money.

Keep receipts or records for financial assessments (see next slide).

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How can I plan for my child's future?
Financial Assessments

When P moved to adult services, the Local Authority will do a financial assessment and ask for a contribution from P's income Often called 'Care Charges'. The amount of contribution depends on whether they are at home, in residential care or supported living.

It is very important to prepare for this and have evidence ready for their Disability Related Expenses (DRE).

Make sure the social worker talks to you and discusses this. Get the social worker to approve it while they are still involved.

Use Essex Carers Network resources to challenge any financial assessments if you feel your DRE has not been considered properly.

If the person receives NHS continuing health care funding, they will not have to make any financial contribution.

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How can I plan for my child's future?
Family Matters - Wills

Make sure that anyone who might leave them money in their Will, seeks proper legal advice before doing so.

Most Solicitors would generally suggest money being left to a person held in a Trust to protect the inheritance and prevent the person loosing benefits or it being used to pay for care.

Inheriting money outright causes a headache for benefits and financial assessments and often won't actually benefit the person much. Leaving it in Trust means they can have extra's the state won't provide.

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How can I plan for my child's future?
Accommodation options

As hard as it can be to consider P moving out, plan for it one day.

Thinking you will outlive them or that they can remain in the family home is not always realistic.

Think about….Could they afford to run the house?

Would social care pay for enough support to live there?

What about if you become unwell or unable to care for them at home?

Would it be better to plan a move for them into independence, so they are settled before you become unable to help them in that transition?

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Want to know more about any of these topics and our support?

Click here for a link to our QR code and website