Caring for a loved one? What families need to know about the Lifetime Care Plan.

Are you considering a Lifetime Care Plan for a loved one? Perhaps you're involved in helping a relative choose a Lifetime Care Plan. We're here to help and have answered some common questions for you below.

For full details, you should read the **Lifetime Care Plan Key Features** document and the **Terms and Conditions**.

Please speak to a specialist financial adviser to consider all the options available for your relative.

What is a Lifetime Care Plan and how does it work?

For a single premium, a Lifetime Care Plan will provide a monthly payment to help meet the cost of care for your relative for the rest of their life.

The single premium considers the options selected and the state of health of your relative, at the point of buying the plan.

Who can buy a Lifetime Care Plan?

Either the person who needs care (your relative) or their legal representative can buy a Lifetime Care Plan.

The Lifetime Care Plan can only be bought through a specialist financial adviser.

How do I know if the Lifetime Care Plan is right for my relative?

An adviser will help you and your relative decide if our Lifetime Care Plan is suitable for them.

It may be suitable if:

- They are age 60 or over when they apply
- They are currently receiving care or will need care when the plan starts, which is expected to be for the rest of their life
- They would like a regular payment for life to help meet care costs
- The care will be provided by a UK Regulator Registered Care Provider, either at home or in a care home.

It may not be suitable for them if:

- They don't need care immediately
- They may only need care temporarily
- They want to change any of the options initially chosen.

L&G

What is the tax position on the payments?

Under current legislation, if the payment is made to a UK Regulator Registered Care Provider, no income tax is due on these payments. A UK Regulator Registered Care Provider is a care home or formal home care agency registered with the relevant care authority in England, Wales, Scotland or Northern Ireland.

In the event your relative no longer requires care from a UK Regulator Registered Care Provider, payments will be made directly to them but they will be subject to income tax. We will deduct tax at the basic rate from a proportion of any payments we make directly to your relative.

The rules governing tax may change in the future and affect your relative's income.

What happens if my relative needs to change care providers, or if there is a change in care needs including hospitalisation?

The payments can be made to a new UK Regulator Registered Care Provider.

If your relative needs to go into hospital, we can continue payments to keep their place at the care home.

If their place or room is not being kept open or if care is no longer required, payments can be made direct to your relative but these payments will be subject to income tax.

Are there any charges payable?

All our charges are included in the single premium paid at the start of the plan. Your relative's financial adviser may need to be paid in addition to the premium which will need to be agreed with them separately.

What payment options are available?

At the point of buying the Lifetime Care Plan, your relative can choose to have fixed payments, so they remain the same. Or if they're concerned about increasing care costs, they can choose to increase payments each year either by a fixed percentage (anything up to and including 8% in whole numbers) or in line with the Retail Prices Index (RPI).

What happens when my relative passes away?

The monthly payments will stop when we're told that your relative has passed away. If any payments have been made after they've passed away, they'll need to be refunded back to us.

If your relative passes away within the first six months of the start of the plan, we'll pay their estate a percentage of the original premium less any payments already made. This is known as Guaranteed Premium Protection and is included in the plan automatically.

If your relative would like to protect a percentage of the original premium for more than the first six months of their plan, they can choose Additional Premium Protection at the point of buying the Lifetime Care Plan. They can choose to protect 25%, 50% or 75% of the original premium less any payments already made. Please see the **Key Features** document for an example of how this works.

Any payments made to their estate may be subject to inheritance tax.

Can the plan be cancelled?

Your relative will have 30 days from the date they receive our confirmation that their Lifetime Care Plan has started to change their mind and cancel the plan. This can be done in writing or by calling us. You can find our contact details in the **Key Features** document.

What are the risks?

You and your relative need to consider the risks below before buying the plan. Our **Key Features** document covers these in more detail.

- The plan pays out a monthly payment that helps meet the cost of care. It doesn't guarantee to cover all of the care costs.
- The cost of care may increase or be greater than the payments we make. Your relative is responsible for funding any shortfall.
- We may not pay anything to your relative's estate when they pass away. This depends on when they pass away and the options selected when the plan was bought.
- The care provider may continue to make charges even after your relative passes away but the payments from us will stop from the date of their death.
- The plan can't be cashed in.
- Receiving payments from the plan may affect their ability to claim for means-tested state benefits.

Where can I find out more information?

You can speak to a specialist financial adviser.

You can also find out more information about paying for care and other options that might be available from MoneyHelper.

MoneyHelper is an independent service set up by the government to help people make the most of their money by giving free guidance to people across the UK.

For guidance on long-term care visit:
moneyhelper.org.uk/en/family-and-care/long-term-care

Legal and General Assurance Society Limited. Registered in England and Wales No. 00166055.
Registered office: One Coleman Street, London EC2R 5AA.

We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Q0058188 09/26 Lifetime Care Plan Q&A

L&G