

• IMMEDIATE CARE PLANS FACTSHEET

Immediate Care Plans (ICPs) are dedicated, tax efficient financial policies. They are also known as ICPs, Immediate Annuities or Care Fees Payment Plans. ICPs are specially designed to cover all or part of the somebody's care fees, and can, in the right circumstances, provide an ideal solution.

Once established, the plan will pay an agreed tax-free amount at regular intervals, directly to the care provider, for the rest of that person's life.

Benefits can increase over the years to help keep pace with care fee increases.

A lump sum is required to purchase an ICP and this is calculated individually based on age, health and gender: linking the price with life expectancy.

This type of policy should always be considered as part of the solution and included as an integral part of the overall financial plan for the older person concerned, especially as it can help to cap the cost of care and protect the older person from outliving their capital.

Immediate Care Plans will not appeal to everybody but they are always worth considering alongside all the other options for paying for care.

The main benefit is that they provide peace of mind that care will be paid for as long as the recipient of care is alive.

The risk is that capital will be lost at the point of death. However, this can be insured against for situations where the older person dies shortly after purchasing the plan. It is essential that advice is sought from qualified long-term care advisers when looking at the funding of any care fees.

It is extremely important that you seek out advisers who have the qualifications required by the Financial Services Authority (FSA) to give long-term care advice and who are also experienced in dealing with elderly-care matters. For this reason, we are unable to advise you on ICPs, though we can point you in the right direction of a suitably qualified adviser.