



## October 2013

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## Proposed government changes to the cost of Long Term Care

**The Government has announced its proposals for shaking up the system on how to pay for long-term care for the elderly in England expected to take effect in 2017.**

How do long term care costs currently work? Those needing care that are single and currently have assets of over £23,250 have to pay for their own care, be it at home or in a residential or nursing home. To understand more about this please see our [website](#)



## What are the proposed changes?

- The changes are expected to include the raising of the means-testing limit in England when it comes to assets of more than £23,250 up to a new threshold of £123,000.
- There's also likely to be a new total cap of £75,000 on the costs that people in England have to pay for the care they receive.

This however doesn't mean that additional costs won't be collected; only that Local authorities will extend the current deferred payment scheme with legal charges which will be paid off after a person's death. A charge will be put on the property and once sold the outstanding debt for the care will have to be paid.

## How can Cornerstone Wills help?

We can help giving the best possible advice to our clients on protecting property, in or outside of a Will, with relevance to individual circumstances, current laws and with an awareness of the proposed changes.

For more information please see our website pages on Long term care

## New tax laws for non-domiciled spouses

The 2013 Budget has announced that from 6 April 2013, the following changes were made:

- **The cap of £55,000 will increase to the current nil-rate band of £325,000 and**
- **Non-UK domiciled spouses will be given the**



**option to make an `election' to be treated as UK domiciled for IHT purposes.**

There is also a further change that came through re non-dom spouses, which is that on the death of a domiciled spouse, the foreign spouse can “elect” to declare themselves domiciled and therefore get the benefit of the inter-spouse exemption normally only given to domiciled spouses. However, they must remain in the country for a minimum of 4 years after the election otherwise they will be taxed in default.

If you would like to know more about [non domiciled spouse exemptions](#) please contact us for help.

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## Testimonials

**Your feedback is important to us as it helps us to continually improve our service to you and your family. Below is some recent feedback we have received from our clients;**



*"We enjoyed a very efficient, clear and comprehensive service provided by Sue. She identified a couple of areas in our old Wills which needed clarification and amendment to achieve what we wanted, so the whole process proved very valuable to us indeed. We are now confident that we have covered everything in our Wills and they reflect our wishes thanks to Cornerstone Wills. We will definitely be recommending them to our friends." Mr & Mrs Connell, Chalfont-St-Peter*

*"I appreciate the prompt and efficient service you provided, at a reasonable cost. We were kept informed at all stages of the process. I would have no hesitation in recommending you to others." Mr & Mrs Smith, Chesham*

*"We found a very helpful and efficient service." Mr Silipigni and Mrs Pedemonte, London*

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## Coming up in future issues

- More helpful tips with IHT planning
  - Understanding the benefit and differences between LPAs and Living Wills
  - Sharia Wills
  - Feedback from the consultation on the simplification of taxation of Trusts
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