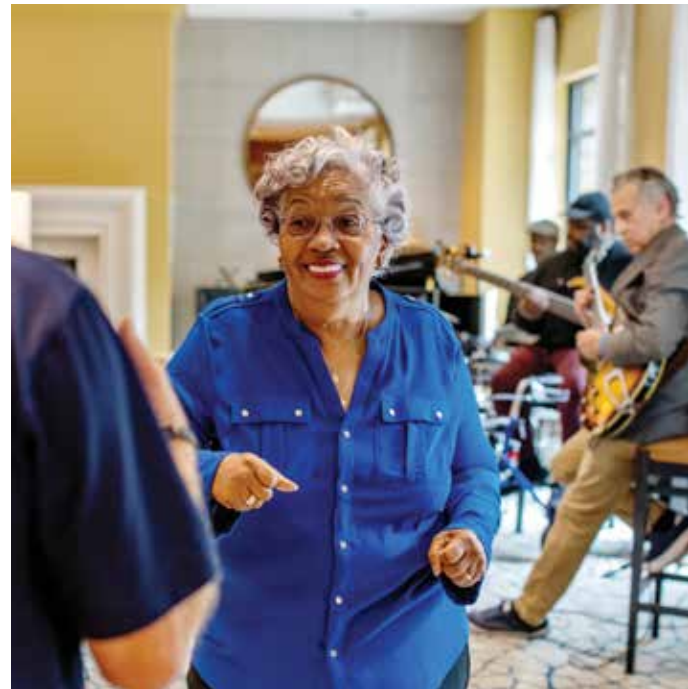


Financial Guide for Senior Living



F-WORDS FOR SENIORS | Finances, Funds & Feasibility

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Getting Started

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You're looking at big decisions for retirement and may be wondering if a senior living community is realistic for you. In fact, it may be perfect for you. The key is to know what's possible and find what suits you best.

People are often surprised to find that the cost of an all-inclusive community compares favorably with the sum of expenses for home maintenance. Think of what you spend on repairs, utilities, insurance, transportation, and all the unexpected bills that come along, like when you need a new roof or air conditioning system. Plus, there's the convenience – and joy – of letting other people cook, clean, and take care of the routine chores. Suddenly you're free to enjoy life the way you want to every day.

Financial Myth Busters

I Can't Afford A Senior Community

Don't be so sure. The cost of inclusive senior living can be attractive compared to the monthly expenses and inevitable costs of living on your own - from utility bills to replacing appliances.

Insurance Won't Cover Any Costs

If you medically require assisted living or memory care, some or all costs may be covered by Medicare, Medicaid, or private insurance.

Moving is an Overwhelming Task

Sure, it sounds overwhelming. However, senior communities and "rightsizing" experts are available to help every step of the way, from selling your home to packing up and move-in day.

What About My Taxes?

If you itemize deductions on your taxes, assisted living or memory care costs may be deductible. Talk to a financial advisor for specifics.

What if I run out of Money?

Everyone wants you to stay safe and comfortable. Senior communities will work with you to find other resources and explore possibilities you weren't aware of.



Classroom Photo

Classes in diverse subjects can help you learn and grow every day.

Tips for Newcomers

- First, remember that everyone is a newcomer at every age. You've never done this before, and you want to do it well. Which you will.
- It's a big deal to switch from saving for retirement to spending for retirement. Learn, study, ask questions, and consult with people you trust.
- Most daily expenses and monthly bills are covered in a typical senior community. Create a new budget reflecting what your needs would be in those circumstances.
- Do some research to take advantage of all tax deductions, types of insurance coverage, senior discounts, and other benefits you might claim. Why leave money on the table?
- Make financial plans now that include any family members, power of attorney decisions, or legal documents.
- Consult with a financial expert for advice on overall planning. You're in new territory and you could discover unexpected ways to make the most of your finances.
- You've already earned your retirement. Stress less and enjoy more.



Dining

Meet neighbors who become friends who feel like family.

Financial Resources for Senior Living

Understanding the various financial resources empowers you to make the best decision. Expenses for some levels of care may be covered by personal savings, private insurance plans, or government programs like Medicare, Medicaid (known by different names in different states), and veterans benefits. Combining different types of payments can help you create a workable solution.

Keep in mind that staying updated on changing health care and payment options is important. As your needs change, new payment sources or reimbursements may open up. For example, Medicare Supplemental Insurance may provide benefits if someone requires memory care support or needs short-term skilled nursing care. Also, a resident in a Continuing Care Retirement Community (CCRC) can benefit from Medicare if skilled nursing care is required, ensuring a seamless transition.

	Independent Living	Assisted Living	Memory Care	Skilled Nursing	CCRC
Private Funds	●	●	●	●	●
Long-Term Care Insurance	●	●	●	●	●
Medicare	●	●	●	●	●
Medicaid	●	●	●	●	●
Medicare Supplemental	●	●	●	●	●
Veterans Insurance	●	●	●	●	●

Key

- Included
- Policy - Coverage dependent on the level of care
- Not Included
- Care - Coverage dependent on type of policy and/or state of residence

You Could Be Covered

Make sure you're taking advantage of all the benefits you're entitled to receive. Check with an advisor you trust for specifics in your case. Meanwhile, these are general descriptions of insurance types:

Long-Term Insurance

The premiums you paid in advance for long-term insurance help pay for expenses when care needs change. Consult an expert to make sure you're getting everything you're entitled to receive.

Life Insurance

If you've been paying for life insurance, your policy already has value. You can continue paying, or you can withdraw the current value to use for expenses if necessary.

Bridge Loans

If you need an influx of cash while you're waiting for other funds to become available – like the sale of a house – a bridge loan can help. You can borrow cash to cover the bills, pay rent, give a community deposit, and make decisions without the pressure of both time and finances.

Veterans Benefits

The U.S. Department of Veterans Affairs provides Aid and Attendance pensions to help pay for senior care for a veteran and veteran's spouse. Consult with an expert to find out about eligibility based on your care needs. The support you receive may be tax-deductible, so be sure to take whatever deductions are available to you.

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Balloon Ride

Join group excursions for fun and adventure.

What You Get at Each Level of Care

Some seniors don't need any personal care in addition to what's included in their community. Others need varying degrees of wellness attention. Before anyone moves in, experts in the community help assess the right level of care and assistance for a resident. Here's what you can typically expect at each level.

Independent Living

Residents enjoy a self-directed, low-stress lifestyle, modern apartment, wholesome meals, supportive associates, daily events and opportunities, scheduled transportation, plus maintenance and housekeeping services.

Assisted Living

This should include the right balance of independence and professional support as needed. Personalized attention helps each person make the most of every day.

Memory Care

Expert personal care is provided for people with Alzheimer's disease, memory loss, and dementia. All needs are taken care of, from meals to social events and creating meaningful moments. Caregivers provide 24/7 attention, alert to all aspects of health and well-being.

Skilled Nursing & Rehabilitation

In addition to supporting residents with basic Activities of Daily Living (ADL) – such as bathing, dressing, and meal preparation – comprehensive medical care is provided by licensed nurses and therapists, including physical, occupational, nutritional, and speech therapy. All meals, housekeeping, and personal care are included.

Continuing Care Retirement Communities

Known as CCRCs, these comprehensive communities offer all levels of care, allowing residents to age gracefully in one place. They can move anywhere on the continuum from independent living through nursing care and stay within one community among friends and professionals who know and care about them.

Medicare/Medicaid Facts & Tips

Most people have paid into Medicare and find it an excellent resource. While Medicare pays for many health care needs, it does not usually cover independent and assisted living expenses. However, it can cover memory care, skilled nursing, or short-term care in a skilled nursing setting, depending on eligibility.

Medicare's different parts general cover these services:

Medicare Part A (Hospital Insurance)

You can use this for inpatient hospital stays, care in a skilled nursing center, hospice care, and some home health care.

Medicare Part B (Medical Insurance)

Offered through private companies that contract with Medicare, these plans provide you with all your Part A and Part B benefits. Most Medicare Advantage Plans offer prescription drug coverage, too.

Medicare Part C (Medicare Advantage Plans)

Offered through private companies that contract with Medicare, these plans provide you with all your Part A and Part B benefits. Most Medicare Advantage Plans offer prescription drug coverage, too.

Medicare Part D (Prescription Drug Coverage)

This plan adds prescription drug coverage to original Medicare, some Medicare Cost Plans, some Medicare Private-Fee-for-Service Plans, and Medicare Medical Savings Account Plans.

Medicaid

This program goes by different names in some states and can provide coverage for people who are not eligible for Medicare. Medicaid can help pay for memory care, skilled nursing, and other health-focused needs. Check your state's provisions to learn what's available.

And yes, all this can be confusing. You don't need to do this alone, though. An independent, licensed Medicare broker can guide you through the complexities of supplements, advantage programs, and all the rest. The regulations change from year to year, so be sure to review the options during each open enrollment period.

What's Tax Deductible

You may be able to deduct more than you think. Consult with a financial or tax advisor for specifics and current tax regulations. These are general considerations to keep in mind:

If you list itemized deductions:

Rather than taking a standard deduction, you may deduct for medical expenses if they exceed 7.5% of your adjusted gross income.

Residential assisted living or memory care may be up to 100% deductible:

It's possible to deduct if assistance is needed for at least two daily living activities such as eating, personal hygiene, getting dressed, or transferring from a bed to a chair.

Can't deduct 100% of your expenses?

Talk with a financial or tax expert about possible partial deductions.

Veterans Benefits:

Many people are not aware of all the benefits they can apply for. A veteran – and a surviving spouse – who needs to live somewhere that provides health care assistance may be eligible. Contact the VA for help with the application process for Aid & Attendance benefits. If you're not eligible, they may help you find other resources.



Virtual Adventures

Discover technology that can take you to Bali or Mt. Everest.

Cost Comparison

Aging in Place Versus Community Living

Ready for a surprise? What you've assumed about senior living costs may not match up with the actual numbers. Use this worksheet to compare your current cost of living with what you can expect at typical senior living community:

MONTHLY EXPENSES COMMUNITY	CURRENT	TYPICAL SENIOR COMMUNITY
Mortgage or rent	\$ _____	\$ _____
Telephone service	\$ _____	\$ _____
Internet services	\$ _____	\$ _____
Cable TV	\$ _____	\$ _____
Travel	\$ _____	\$ _____
Entertainment	\$ _____	\$ _____
Food/groceries	\$ _____	\$ _____
Dining*	\$ _____	INCLUDED
HOME MAINTENANCE		
Homeowner association fees	\$ _____	INCLUDED
Housekeeping/laundry/linen service*	\$ _____	INCLUDED
Major appliance repair/replacement	\$ _____	INCLUDED
Furnace/AC/plumbing repair	\$ _____	INCLUDED
Lawn care	\$ _____	INCLUDED
Snow removal	\$ _____	INCLUDED
Trash removal	\$ _____	INCLUDED
Homeowner's insurance	\$ _____	INCLUDED
Real estate tax	\$ _____	INCLUDED
Safety features	\$ _____	INCLUDED
Dynamic programs	\$ _____	INCLUDED
UTILITIES		
Electric	\$ _____	INCLUDED
Gas	\$ _____	INCLUDED
Water/sewer	\$ _____	INCLUDED
Health club membership	\$ _____	INCLUDED
Resident call response system	\$ _____	INCLUDED
Transportation*	\$ _____	INCLUDED
TOTAL COST	\$ _____	\$ _____

Resource Recommendations

There's a lot to know as you chart your course, and you'll likely come up with questions you haven't thought of yet. Many governmental and private resources provide information and guidance. While we don't endorse any specific website, these are some trusted sources for you.

- American Senior Housing Association: whereyoulivematters.org
- Medicare facts and details, updated annually. Medicare.gov
- Veterans benefits you may apply for: benefits.va.gov/benefits/



We're Here to Help

The Watermark team wishes you success as you plan for the future. Feel free to reach out to any of our communities if you have questions on how best to move forward on your journey. Plan a private tour or consultation at your convenience. Our goal is to help you reach your goal.

Explore Watermark Retirement Communities at watmermarkcommunities.com.