

We'll get started shortly. Thank you for joining!

# Confused about Senior Living?

Learn about the options and what to ask.

Brad C. Breeding CFP®- President, myLifeSite.net  
Author- "What's the Deal with Retirement Communities?"



# **Confused about Senior Living?**

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Author- "What's the Deal with Retirement Communities?"**

# About

- Co-Founder and President of MyLifeSite.net
- Previously spent nearly 14 years as a financial planner
- Still maintain CFP® certification; no longer active in the business
- Insights on the intersection of finances and senior living



# Topics We'll Cover

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- Top concerns among older adults
- Retirement living options / comparisons
- Long term care insurance
- Choosing the right community
- Financial considerations



# Biggest concerns about living a long life

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Serious health problems	72%
Not being a burden on family	60%
Running out of money to live comfortably	47%
Being lonely	26%
Not having a purpose	21%
Having nothing to leave children/grandchildren	13%

Americans' Perspectives on New Retirement Realities and the Longevity Bonus A 2013 Merrill Lynch Retirement Study, conducted in partnership with Age Wave

# Retirement Living Choices

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Stay in Your Own House



Live in a Retirement Community



Move in with the kids

# Staying at Home

A few of the positives

- Comfortable/familiar
- Memories/emotional connection
- Less expensive (maybe)
- Avoid the hassle of moving
- Maintain a *sense* of independence



# Other *Possible* Implications

...of staying at home

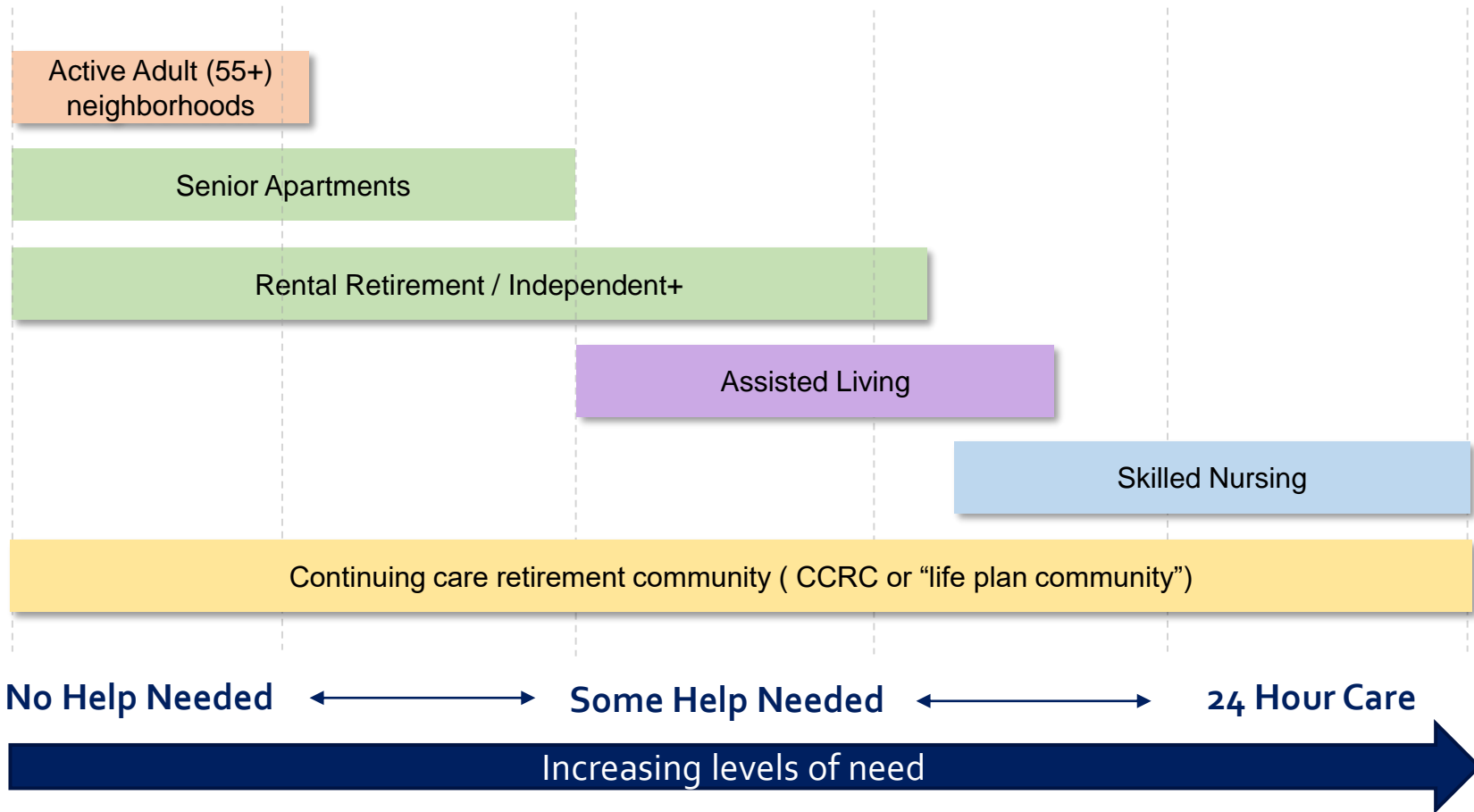
- Home modifications
- Ongoing maintenance
- Social isolation
- Maintaining a healthy diet
- Transportation issues
- Delaying a move
- Separation of couples
- In-home care
- Burden on family

# Comparing the Retirement Living Options

# Tradeoffs



*\*The cost while living independently; i.e. without needing daily care. The cost may also include an entry fee.*



Some rental retirement communities may cover the full spectrum. Likewise, some life plan communities may operate under a rental model.

# Understanding CCRCs

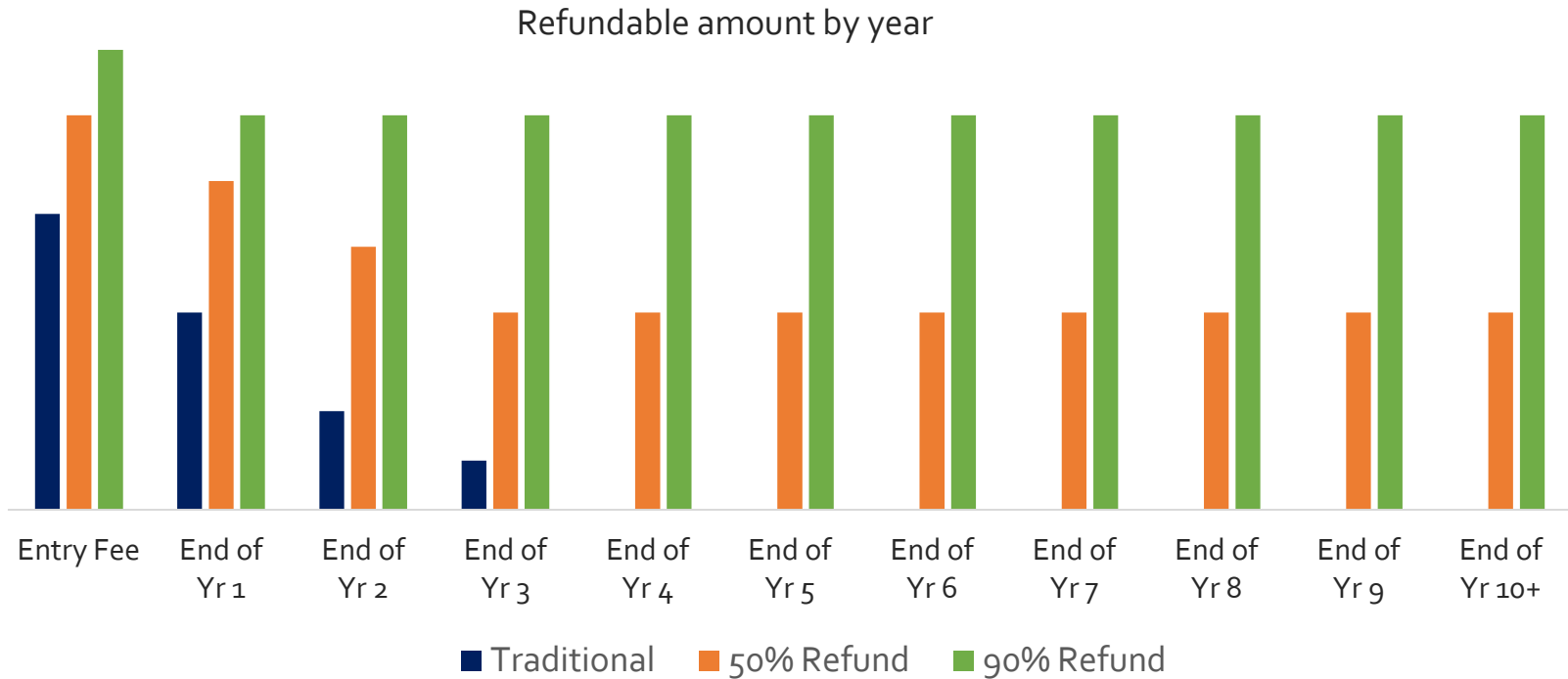
# Continuing care retirement community aka CCRC or “life plan community”:

- Contractually provides long-term residential living and services,
- Combined with a continuum of care, typically available on-site and on a priority basis,
- Often requiring an entry fee.



Note: Life plan communities (CCRCs) are regulated at the state level and the definition may vary from state to state.

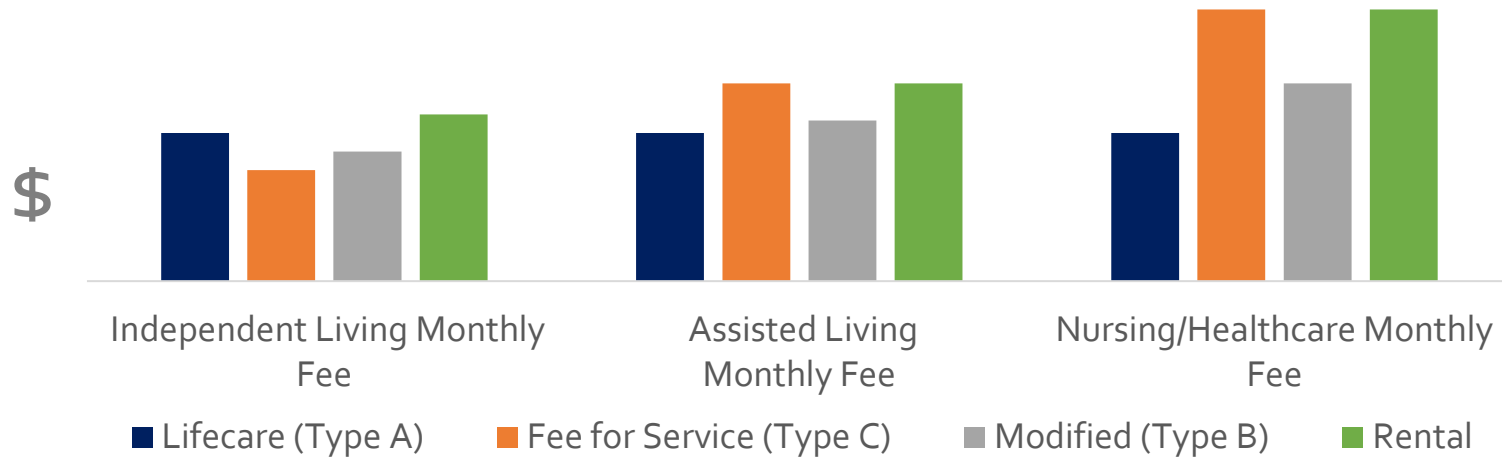
# Conceptual examples of refundable entry fees



These are conceptual examples. Some communities may offer refundable percentages different from these examples. Entry fee refunds may decline over different time frames than what is shown here. See the contract for specific details regarding refund stipulations.

# Conceptual examples of retirement community pricing

Monthly Fee Adjustments by Level of Care



These are conceptual examples. There can be variations of each of the above types. Refer to the contract for details. Lifecare contracts may not always include assisted living. The above does not account for potential inflationary increases. Some CCRCs may offer assisted living in I.L. apartments, rather than in separate residences.



# Paying for Care



- Out of pocket / proceeds from sale of home
- Veteran's benefits
- Medicare / Medicaid
- Long-term care insurance

# Key Components of LTCi

Reimburse or Cash Benefit?	Daily or Monthly Max Coverage	Total Pool of Money	Elimination Period	Settings Covered by Policy
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# Using LTC Insurance

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- Does your policy cover all settings?
  - In-home, assisted living, nursing care, etc.?
- Are retirement communities specifically classified in your policy?



# Choosing the Right Community

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# Key aspects of the decision process

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Home,  
Amenities, etc.



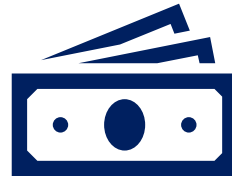
Contract  
Details



Quality of  
Care



Management/  
Financials



Personal  
Finances



Lifestyle/  
Wellness

# Other Financial Planning Considerations

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# Monthly Budget Considerations

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Household Expense Item	At Home \$	At Retirement Comm. \$
Utilities, Cable, Etc.	\$800	-
HO Insurance/ HOA Dues	\$400	-
Home Maintenance / Lawn	\$750	-
Property Taxes	\$500	-
Groceries	\$600	\$300
All Other	\$2,500	\$2,000
Total	\$5,500	\$2,300
<b>Difference</b>	<b>\$3,200</b>	

# Other Cost Considerations

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CCRC Residents need to plan for a 3-4% average annual inflationary increase on their monthly service fees

They should also be clear about ancillary charges that may not be included in the monthly fees, especially in the healthcare center.



# Medical expense tax deduction at a CCRC

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- May apply to part of the entry fee and/or the monthly fee (20-40% is common)
- No part of *refundable* entry fee should be deducted
- Cannot be carried over to the next year
- Deduction is less or not available for fee-for-service (C) contracts
- **Use the year 1 deduction to offset taxes on a Roth Conversion?**



*\*One spouse must be age 65 or older. This is not tax advice. Consult with your tax advisor. See IRS Pub. 502*

# Helpful Resources

- [myLifeSite.net](http://myLifeSite.net) (CCRC info)
- Book: What's the Deal with Retirement Communities? Available on Amazon
- Regional Ombudsman
- State-Level Regulatory Body for CCRCs
- [Medicare.gov](http://Medicare.gov) >> nursing home compare
- [Genworth.com](http://Genworth.com) >> Cost of Care Survey
- [VeteranAid.org](http://VeteranAid.org)