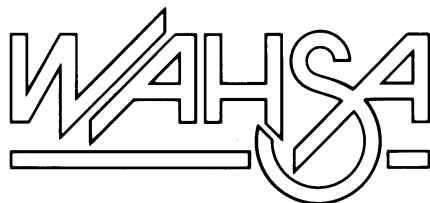


***Can I Really Afford to Live  
in an Independent Retirement Community?***

A Free Report Provided by



Wisconsin Association of Homes and Services for the Aging  
204 South Hamilton Street  
Madison WI 53703  
(608) 255-7060  
**info@wahsa.org**  
**www.wahsa.org**

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262.306.2100

## ***Can I Really Afford to Live in an Independent Retirement Community?***

This is a question we hear a lot. In most communities utilities, maintenance, some laundry, and some meals are included in the fee. Use the monthly fee to compare the costs of staying in your current living situation. Remember to include utilities, taxes, insurance, fees paid for the yard work, and maintenance of your home. There should be a staff member available, at the facility you are considering, who can go over financial information with you.

If you are considering moving into a Continuing Care Retirement Community (CCRC) as opposed to a stand alone Independent Retirement Community, there may be entrance fees or life care contracts to consider. According to the Continuing Care Accreditation Commission, there are three basic types of contract that a resident enters into with a CCRC: extensive, modified, and fee-for-service. An extensive contract offers unlimited long-term nursing care for little or no substantial increase in your usual monthly payments. Entrance fees and monthly costs under extensive contracts are typically higher than those under modified or fee-for-service contracts. That entrance fee may be refundable over time, partially refundable, or nonrefundable. You may acquire ownership of your residence within the community, or you may be provided housing on a rental basis.

A modified continuing care contract includes a specified amount of long-term nursing care beyond which you are responsible for payment. Once such specified amount of care is reached, the resident may continue to receive care, but must pay the facility's daily or monthly nursing rate.

A fee-for-service continuing care contract covers the cost of your housing, residential services, and amenities. You pay full daily rates for all long-term nursing care required. Entrance and monthly fees are lower under this type of contract because residents are responsible for all long-term nursing and health care costs.

There are many options available under the general term "CCRC." Your best course of action is to visit several communities and to decide which community offers the best combination of services, amenities and contract options for your or your loved one's particular needs and desires.

Let's look at an example to help illustrate how even someone who didn't THINK they could afford an Independent Retirement Community, really can!

Jane is a healthy 70 year old who wanted to enjoy the rest of her retirement years without the hassle of home maintenance, yard work, and home repairs. Plus, her home was built 40 years ago, and wasn't particularly "senior" friendly! Doorways were narrow, the laundry room was in the basement, and the stairs to that area were narrow. She didn't want to risk falling.

Jane didn't think she could afford to live in an Independent Retirement Community, but after visiting her friend Marge several times, she knew it was a vibrant and active place that really catered to her lifestyle.

Jane also wanted to leave an inheritance to her children, but didn't have a large 401K or IRA to leave behind; therefore, all she had was the value of her home. She was worried that if she sold her home and moved to an Independent Retirement Community, she would not be able to leave an inheritance. Her children on the other hand, were not worried about receiving an inheritance; they just wanted Jane to live the life that made her happy, safe, and comfortable.

After sitting down with the staff at her local Independent Retirement Community, she understood that not only could she afford to live there, but she would also be able to leave a LARGER inheritance to her children than she ever thought possible.

### **Here's how it worked for Jane:**

#### **Jane's Current Assets:**

- \$100,000 - total in checking/savings, CDs, stocks, bonds, mutual funds, IRA and annuities (rainy day money)
- \$150,000 – value of her home
- \$1400/ month Social Security Income and Pension

### **Cost to Live in the Independent Retirement Community:**

- \$2300/ month, no entrance fee, just monthly rent
- -\$1400/month income
- = shortfall of \$900/month for Jane

### **Jane's Solution:**

- Jane sold her home for \$150,000 and put the proceeds into a lifetime annuity that generated an income of \$1,204 per month. (which covers her shortfall of \$900 and leaves \$300 for other needs)
- Jane took her remaining assets (rainy day money) of \$100,000 and left \$25,000 in checking, but purchased a single premium life insurance policy for \$75,000.
- That single premium life insurance policy is worth \$250,000 TAX FREE to her heirs upon her death.
- Plus if she passed away within 10 years, her heirs could also possibly receive the remaining lifetime annuity payout.
- Remember this is simply an example and not a guarantee of results. Everyone needs to have their own person financial analysis completed.

**Jane can now move into her Independent Retirement Community and live a safe, stress free life. Her children will receive the inheritance she always wanted them to have.**

**Can you afford to live in an Independent Retirement Community?**

**Chances are that, with the right financial planning, you can live the retirement you always dreamed of. Contact \_\_\_\_\_ for more information.**