



## *How Am I Going To Pay For Senior Living?*

There are many different reasons why a person may be looking to make a move to a senior living environment. For some, it may be as simple as avoiding the cost and stress of home ownership. For others, it may be because there is a need for memory care, or some level of assistance with the activities of daily living. No matter the reason, one of the most frequently asked questions is “How am I going to pay for this?” Here are a few options:

### ***Long Term Care Insurance***

Long term care policies apply to assisted living and, in some cases, nursing home care if there is a specifically designated benefit for it. Under this type of policy, a buyer makes premium payments to help cover expenses in the event of a stretch of expensive long-term care. This is one of the best options to help defray the costs associated with assisted living, and in many instances, people into their 70s have been able to obtain it affordably. Most people purchase long-term care insurance in their 50s and 60s as a proactive measure. Contact your insurance agent for more information.

### ***Annuities***

If you’ve invested in an annuity, it can also give you a reliable form of income that you can use to help pay your expenses. When you purchase an annuity, you pay a large lump sum up front and then receive regular payments back on that lump sum for the rest of your life. Many people continue to receive payments on their annuities even after their purchase premiums run out, allowing them to get more out of the annuity than they put in. Annuities are complicated financial tools, though, so if you are looking into purchasing one – or if you just have questions about your current one – speak with a trusted financial advisor for more information.

### ***Life Insurance Policy***

Commonly, these policies are purchased proactively, so a person can be sure that their loved ones are cared for after their death. Life insurance policies can often be cashed out before the policyholder’s death, for a percentage of their face value, if needed. Of course, there are different rules that apply with different policies and insurance companies, so if you want to research this option further, you should contact your insurance agent for more information.

# *How Am I Going To Pay For Senior Living?* (continued)

## **Veterans Benefits**

If you are a United States veteran or surviving spouse of a veteran, you may qualify for the Aid & Attendance Program and receive monthly benefits to help cover the costs of your senior housing and care. Contact the Veterans Benefits Administration office at 1-800-827-1000 or go online at [www.va.gov](http://www.va.gov) for more information.

## **Private Funds**

Most people pay for independent living, assisted living, and continuing care retirement communities out of their own pockets with private funds. There are some states which accept Medicaid for assisted living, but there is currently no program on the federal level, and private funds still account for approximately 90 percent of assisted living payments. About one-third of long-term care at nursing facilities is also paid with private funds.

## **Life Settlements**

A life settlement is the sale of an existing life insurance policy to a third party for more than its cash surrender value but less than its death benefit. Proceeds from a life settlement can be used for any purpose, including financing senior living and healthcare needs.

Senior Living Line of Credit –

Specially tailored for families who want to move to senior living and assisted living, a Senior Living Line of Credit is now available nationwide to help families pay for a loved one's senior housing and care. This payment option is especially helpful if families' and seniors' need time to sell a home or other assets with which to pay for care, or if a senior is waiting for federal benefits to start. Typically structured as a signature or personal line of credit, these lines of credit allow families to borrow only what is needed on a monthly basis to help finance their loved ones senior housing and care needs. Like any loan, a Senior Living Line of Credit is subject to credit approval.

## **Combining Family Resources**

Although a difficult option at times, when the whole family shares the same concerns for their parents, the option does exist to pool resources to help pay expenses. There are many different ways to work these arrangements out – but in the end this solution requires close family communication so that everyone is on the same page.

## **Sharing an Apartment**

Sharing a private apartment with a roommate is a good choice for budget conscious individuals who face a shortfall in the amount they require to afford the senior community of their choice. Others choose to share an apartment because they like the companionship. Sweetwater can help you find a roommate who shares a common background or interests.

## **Renting Out Your Home**

This is an option that has become more and more popular in the last few years. It allows parents who are not ready to sell their home to hold on to it, and still generate income, by renting it out and using the revenue to help pay their independent or assisted living costs. You may have family or a close friend in mind who could use a different place to live, or, for a percentage of the rent, you can hire a service to vet possible renters and manage your home for you while it is being rented.

We hope you find some ideas here that help you to feel more confident about handling the financial responsibility of moving into an independent or assisted living community. There is much that goes into making the right choice for yourself or your loved ones, and the process can feel overwhelming at times. One thing we encourage you to do is ask questions! You can always reach out to Sweetwater by visiting our website at [www.sweetwaterretirement.com](http://www.sweetwaterretirement.com). If you contact us personally, we will be happy to help you better understand your options.