

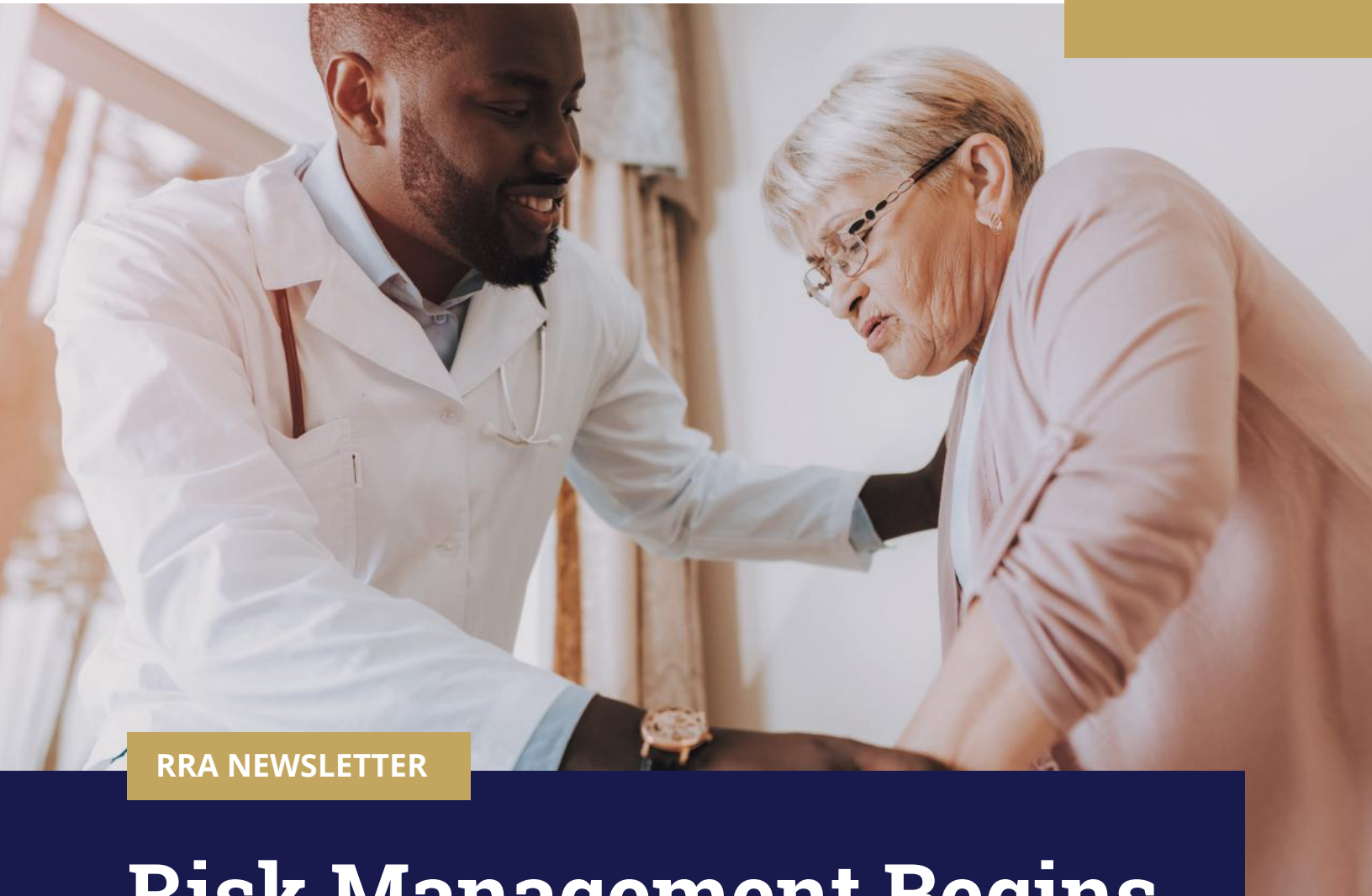


RETIREMENT RISK
ADVISORS

Your #1 Source for
Retirement Education

OCTOBER

2022



RRA NEWSLETTER

Risk Management Begins with Understanding: Nursing Homes

Living beyond age 65 puts a retiree at a 70% chance of needing assistance with daily activities. At 85, you have an additional 20% chance of needing assistance due to cognitive or physical decline. Understanding your care, costs, and ways to cover nursing homes or assisted living now will help you immensely in retirement.



Why You May Need a Nursing Home

The decision to choose a nursing home is not an easy one. And, of course, there are many factors to consider such as costs, the impact on you, and the impact on your family. Unfortunately, the longer someone lives the more likely they are to need assisted living, and private at home care is expensive and hard to cover. Financially, nursing homes and assisted living makes more sense. Especially when the most common reason a retiree is admitted is due to severe cognitive or physical decline that requires 24-hour care.

Having the discussion with family or written somewhere is important on what you want to happen if you do end up needing long-term care or assisted living in retirement. Please note that nursing homes are not the only option but are the most commonly utilized facilities for the

elderly. To name a few: assisted living facilities, retirement villages, or even moving in with a family member or friend. The importance of pre-planning is of the utmost importance when it comes to helping you decide what you want when (and if) it comes time.

Below is a list of the most common reasons retirees are admitted to these facilities:

- Living alone or no family close to care for them
- Physical or cognitive decline or disabilities
- Limited funds to pay for private at-home caretaker full time, or part time
- Requiring 24- hour care
- Nursing home is a temporary skilled nursing facility for rehabilitation

How do I choose a nursing home?

Nursing homes are not your only option, but it is important to remember they are the most common for age 80+. And unfortunately, they can have waitlists—especially if they are highly ranked.

Depending on your location, the steps to picking a nursing or assisted living home may vary, but here are some basic steps to keep in mind:

1. Research, research, research. Make a list of all the facilities in your area and try to get some firsthand accounts if you can. Meet with faculty such as a geriatric care manager or nurse or even the admission director if you can.
2. Ask about coverage, specialized units such as Alzheimer ward, and discuss extra curriculars the facility puts on.
3. Visit, if permitted, at varying times of day to see how the facilities run.
4. Have the conversation with a family member or friend to ensure your wishes are honored. It may be a good idea to assign someone you trust as your power of attorney should you become unable to make your own decisions.

“Unfortunately, the longer someone lives the more likely they are to need assisted living, and private at home care is expensive and hard to cover.”





Cost, Care, and Coverage

Paying for senior living and care can cost anywhere between \$30,000 to over \$100,000 a year. In sad news, the price tag is a shock to whomever is fronting the bill—the family or the retiree. Most seniors cover the assisted living expenses using SS benefits, retirements savings, retirement account funds, or even pension payments. It is important that all resources and avenues are taken advantage of when it comes to senior living and care.

Medicare

Like most health insurance plans, Medicare does not cover long-term care services or room and board of facility-based living. Some medical services may be covered, but personal care is not covered either. Depending on the facility certain costs may be covered up to a certain percentage or amount.

Medicaid

Each state has their own guidelines for what Medicaid will and will not cover for senior living and care. If you are on Medicaid, some financial assistance programs may be able to help. However, like Medicare, Medicaid does not cover room and board.

Long-Term Care Insurance

Long-term care events are the most unplanned for in retirement. While a separate policy from your regular healthcare and premiums, depending on your policy, long-term care insurance is meant to help with assisted living and help needed to perform daily tasks such as grooming, dressing, and toileting. The younger you can get long-term care insurance, the better off your premiums and costs will be because you are usually healthier when you are younger. In fact, based on surveys of long-term care policy holders and pricing, the best age range to purchase a policy is 40-50.



Long-Term Care Services with Life Insurance Settlement

A life insurance settlement converts an existing life insurance policy into money that can be used directly to cover long-term care and assisted living costs. This works by having a third-party purchase the policy for its cash value (more than the surrender value of the policy, but less than the death benefit amount). Thus, the third party assumes paying the premiums and becomes the beneficiary of your life insurance policy.

Reverse Mortgage

If you own your home outright, you may be eligible for converting the equity of your home to help cover assisted living costs. Ownership of the home is still kept, but you are able to dip into an asset you have to your name to help cover costs if needed.

With a multitude of reverse mortgage types out there, the loan comes due when the owner(s) either passes, sells the home, or hasn't lived in the house for more than a year.

Annuity Income

Insurance is always a good way to go when it comes to instituting a plan to cover costs. An annuity, for example, is another good route to help cover costs of nursing home or assisted living costs. Annuities vary with their features and riders, but income disbursements can begin immediately or at a later date, either in a lump sum or a series of payments. Having a steady income stream to help cover your nursing home services may be a good strategy.

Upcoming October Webinars

10/5/22 – How to Protect Your Retirement Assets Before the Next Crash

10/5/22 – Getting Safely Through Retirement: A New Paradigm in Retirement Planning (500TH WEBINAR!!!)

10/6/2022 – Inflation and Rising Cost of Health Care in Retirement

10/11/22 – Tax-Free Income for Life: How to Eliminate Risk in Retirement

10/12/22 – Getting Safely Through Retirement: A New Paradigm in Retirement Planning

10/17/22 – Roth IRAs: A Great Option for Most Retirees

10/18/22 – Getting Safely Through Retirement: A New Paradigm in Retirement Planning

10/19/22 – Shopping for Long-Term Care Insurance and Your Nursing Home

10/20/22 – The Truth about Reverse Mortgage: Everything You Need to Know

10/21/22 – Evolving Retirement Law: The Challenges, The Changes, and Your Choices

10/22/22 – Getting Safely Through Retirement: A New Paradigm in Retirement Planning

10/26/22 – Take Control of Your Retirement with a Self-Directed Plan

10/31/22 – Women, Money, and Power: Take Control of Your Financial Future

RetirementRiskAdvisors.com/events

Your Retirement is at Risk

Longevity is increasing yearly.

Inflation has risen alarmingly.

Taxes are projected to double in the coming years.

We have the solution for CPAs so your retirement is safe.



FREE 2 CPE WEBINAR - OCTOBER 5th, 12th, 18th, and 22nd

Getting Safely Through Retirement

RetirementRiskAdvisors.com/events



Contact

Retirement Risk Advisors



(855) 491-0400



support@retirementriskadvisors.com
www.retirementriskadvisors.com



1309 Coffeen Avenue, Suite 3851
Sheridan, WY 82801

