Senior Living May Be More Affordable Than You Think

Tax Deductibility for Senior Living

When looking at senior living for you or a family member, you will want to consider the financial cost of long-term care. Because careful planning is critical for making decisions about your future, Atria would like to share important information regarding the potential tax deduction for senior living expenses.

THE BENEFITS OF SENIOR LIVING

Atria provides services and amenities designed to help older adults live as independently as possible, with the right amount of support. Residents receive an apartment of their choice, restaurant-style dining and personal care services as needed. For residents with Alzheimer's or other memory impairments, Atria's Life Guidance® neighborhoods offer memory care services.

Depending on the type of services and level of care required, residents or their responsible parties may be eligible to deduct up to 100% of their senior living fees and certain other personal care services as medical costs on their tax return. Costs may be deducted by the resident or the person paying for the resident's care if the resident is a dependent of that person.

100% DEDUCTIBLE ATRIA SERVICES

Atria services, including apartment, dining and care, may be 100% deductible as medical expenses, provided a licensed healthcare provider has certified within the previous 12 months that the resident meets one of the following conditions:

- The resident receiving care is unable to perform at least two activities of daily living (e.g., eating, bathing, dressing, transferring, toileting and continence)
- The resident receiving care is a Life Guidance resident or has severe cognitive impairment

DEDUCTIONS FOR PERSONAL CARE SERVICES

Residents who do not meet the requirements for a 100% tax deduction – or their responsible parties – may be eligible to receive a tax deduction for the portion of their fees related to Atria's personal care services.

MEDICAL EXPENSE DEDUCTION

The medical expense deduction is available to residents or responsible parties who itemize deductions on their tax return and whereby the total of their medical expenses, less any reimbursement from insurance or other sources, exceeds 10% (7.5% for taxpayers 65 or older) of their adjusted gross income.

DEPENDENT QUALIFICATION

Even though a taxpayer cannot claim an exemption for the resident on their tax return, they may be able to deduct medical expenses paid on behalf of the resident if the resident qualifies as a dependent. For purposes of the medical expense deduction, a resident generally qualifies as a dependent if the following requirements are met:

- The resident is a qualifying child or a qualifying relative (i.e., parent, grandparent, child, sibling, aunt, uncle, etc.) of the taxpayer
- The resident is a U.S. citizen or national, or a resident of the United States, Canada or Mexico
- The taxpayer provided more than 50% of the resident's financial support during the calendar year

FOR MORE INFORMATION

Residents and/or their responsible parties should refer to IRS Publication 502 or consult their tax advisors for information regarding the types of costs that may qualify for a tax deduction, as well as other requirements for claiming the deduction.

NOTICE

Atria does not provide tax advice, and the information provided herein should not be considered as such. Due to the complexity of these rules and the fact that the deduction is based on each individual's own circumstances, you should consult your tax advisor to determine how these rules may apply to you.