

# RWC Messenger

A Rappahannock Westminster-Canterbury Newsletter

Winter - Spring 2019

*Dispelling myths about  
paying for a Retirement  
Community.*

*Once I select my  
home, when will I  
pay or move in?*

*Lock-In to 2018 Rates!*

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# Dispelling myths about paying for a Retirement Community.



By Penny Smith, RWC Vice President of Finance and Chief Financial Officer

**Q. What do you consider to be the top myth about paying for a Continuing Care Retirement Community (CCRC)?**

**M**ost people think it's out of their reach. That's the most common myth. If potential residents sit down with a retirement community CFO or financial planner and do a comparative analysis of what they would spend living at home versus a CCRC, they might be surprised. By the time they factor in the tax benefit, they may find that it's equivalent or even less than what they would spend living in the greater community.

**Q. Are you asked to hand over all your assets when you enter a CCRC?**

No! Like most CCRCs, we ask for a confidential financial statement. This information allows for an evaluation of resources and favorable matching with the most affordable residence type. We expect that resident resources will be used by the individual(s) for their personal expenses. Lifecare communities ensure that, lifecare contract residents whose financial resources have been exhausted despite prudent planning, can remain at the CCRC.

**Q. What is the tax benefit?**

A portion of your one-time entrance fee may be included on your tax return as a prepaid medical expense. Also, a portion of your monthly fee may also be deducted. RWC and many CCRCs engage outside experts to review the specific amount of the monthly fees and entrance fees that are deductible as medical expenses on federal tax returns every year. For RWC, the medical deduction was 36% for the year 2018.

The medical deduction is a benefit to be maximized each year. It provides the opportunity for matching income such as a lump sum retirement fund distribution or sale of appreciated assets, with the deduction. The key is to make the most of the tax advantage for the initial year and future years.

**Q. Do I still need health insurance at a CCRC?**

Yes! You want to evaluate the coverage in your health care insurance policy regularly and well ahead of time. It's important to understand whether the coverage is in lieu of or supplemental to traditional Medicare. Insurance is necessary for hospital visits, skilled services, doctor visits, prescriptions, etc.

**Q. What are some creative ways of paying for the move to a CCRC?**

The most common avenues of funding the entrance fee is the sale of a home, sale of securities, and retirement fund distribution. Some individuals obtain a bridge loan from a bank, which allows time to sell their house.

**Q. What is the benefit to me from a health care perspective to live at a CCRC?**

CCRCs provide residents with priority access to care services across a full continuum of care, including skilled nursing care within the on-site health care center.

**Q. What final advice would you provide?**

Making the move to a CCRC is great planning for the future. Often, I've heard residents share regret for not making the move sooner. Savvy seniors should explore their options, identify their plan, and utilize available resources such as tax planning to maximize their benefits.

*The recommendations and advice provided here are not applicable to all situations. Individual circumstances vary and it's smart to get advice from a professional financial planner or tax advisor to determine what will work best for your needs.*

## Once I select my home, when will I pay or move in?

**M**ost everyone wants to sell their home before committing to RWC, but more and more of our new residents tell me it is so much easier to make the transition before putting your home on the market.

As we age, including me, it is exceedingly more difficult to become motivated to purge the abundance of things my husband and I have accumulated. In addition my daughter really isn't inclined to want any of it. She has her own home and her own tastes which don't always reflect mine.

This is a common conversation I have every week as I talk to potential new residents. Our current residents advise, when possible, to select an independent living unit and make your reservation. Nothing is worse than deciding you really love something and then by the time your family has blessed your decision, the unit is no longer available. I encourage everyone to make the reservation. It is non-binding. You haven't been approved for admission yet. The only thing that can happen is that you change your mind and the \$1,000 Rappahannock Club reservation deposit is returned.



By LuAnne Davis, Vice President of Marketing and Development

*(Continued)*

The next step is to begin the admission process which consists of a physical with your primary care physician, completing a Confidential Financial Statement, a Personal Health History and an Application. This process, depending on when you may get a doctor's appointment, could take three to six weeks.

Once all of your forms are received back in the Marketing office, your Admission interview date will be set. Upon approval, you will receive a call and confirmation letter. Within ten days of receipt of your confirmation letter, a 10% deposit is due.

This is when the most exciting time begins. You will start picking out your selections and modifications of your new home. You will make visits to RWC checking in

on progress and begin to meet new neighbors and friends. From selection to completion for a full renovation, you are looking at 4 months on average. Some even longer depending on how many renovations are going on and everyone's time frame for move in.

During this time, start purging what you know you will never keep. Identify what you love and want to take with you to RWC and begin interviewing realtors and start sprucing up your house. Once you have selected a realtor, this is a perfect time to think about moving in. You can move all those things you love and leave behind the rest to help with staging. It will help to present your house and best of all you won't need to accommodate realtors showing your home. That way, your realtor has more flexibility in showing

your house, especially to those last minute weekend potential buyers.

Your 90% will be due at the time of move-in and your monthly fees will begin. If you need other resources for your entrance fee, consider a bridge loan from a local lending institution. They are always helpful to our new residents.

Also consider your investments. It may be the perfect time to cash in a stock in a gain position or perhaps take a lump sum withdrawal from an IRA. Due to the large medical deduction, the timing is perfect for a transaction that generates taxable income.

Best of all, you may very well be eligible for a tax deduction on your entrance fee for prepaid medical expenses!



## Welcome, New RWC Residents 2018!

- Ms. Michelle Blank
- Dr. and Mrs. Glen (Tanya) Bohlke
- Mrs. Suzanne Burrage
- Mrs. Sandra Decker
- Mrs. Mary Parke Dillard
- Mrs. Nancy Ellett
- Mr. and Mrs. Don (Jean) Gilmore
- Mr. and Mrs. William (Jan) Glover
- Mrs. Betty Hamilton
- Mr. and Mrs. Homer (Ginny) Hartung
- Mrs. Claudia Holmes
- Mr. and Mrs. Richard (Pamela) Lilliquist
- Mrs. Marilyn Riggs
- Mrs. Cecelia Vail Schwartz
- Mr. Donald Stebbins
- Mr. and Mrs. Harry (Linda) Stemple
- Mr. and Mrs. Bill (Suzanne) Thomas
- Mr. and Mrs. Paul (Mary) Thompson
- Col. Mowton (Tony) Waring
- Mr. Thomas Wilhelmsen

## RWC's 2019 Incentive!



**R**WC had another record year for new resident admissions in 2018. As a result, all cottages and apartments are currently occupied.

But no worries! If what you really wanted was a free-standing home, this is your opportunity. From February 1 through July 31, 2019 RWC is offering incentives, as much as \$50,000 off a select number of free-standing homes.

All homes are fully renovated to your specific preferences. You can choose new appliances, new flooring selections, paint colors or wallpaper, and other custom choices that will make your new home reflect your style. You will have all these options with amenities included. You will also have a worry-free lifestyle and most importantly, the guarantee of life care!

## The Rappahannock Club

*There is no time like today to join the Rappahannock Club.  
It is the first step in planning for a worry free lifestyle.*

**I**f you anticipate becoming a resident of our community either when your preferred residence style becomes available at a future date you may want to seriously consider RWC's Rappahannock Club.

The RWC Rappahannock Club (Rapp Club) is a priority reservation program designed to guarantee consideration for residence at RWC in the order of a completed registration form and receipt of a \$1,000 (fully refundable) deposit. This membership designates preferences indicated for living accommodations and probable year of entry. *By registering, the depositor is not obligated to RWC nor guaranteed admission.*

Also Rapp Club members receive exclusive invitations to preview parties of newly renovated cottages and apartments as well as special events and seminars.

Rapp Club Members have access to our *Living Well Program* with opportunities to participate in fitness classes (fees apply), coupons to dine in our Grille or Lancaster Dining Room and special incentives offered from time to time. Please call Jonathan Smith, the Fitness Coordinator at 804-438-4290 or send him an email [jsmith@rw-c.org](mailto:jsmith@rw-c.org) for more information.

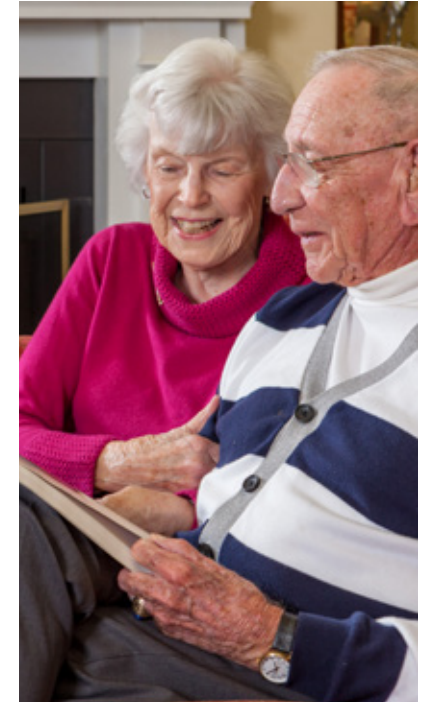
If you are interested in joining the Rapp Club we ask that you complete a brief registration form along with a fully refundable deposit of \$1,000. This deposit guarantees the depositor consideration for residency at RWC in the order of receipt of your completed registration. The Rapp Club Registration Form is now available on our website, [www.rw-c.org](http://www.rw-c.org).

*If you are a Rapp Club Member please help us keep your file updated. If your preferences have changed we will need to know. Our list is growing!*

*Acceptance for admission will be based upon health and financial data to be supplied at the time of application.*

## Lock-in to 2018 Rates!

**T**here is still time to reserve a house and receive 2018 rates. Entrance fees increase 2.5% on April 1, 2019. Select your residence, (especially with our New Year Incentive), reserve now, and lock-in at the 2018 rate to move in before December 31, 2019. For further information call or email LuAnne Davis, 804-438-4175 or [ldavis@rw-c.org](mailto:ldavis@rw-c.org).





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# Solution Seminar Series 2019



Rappahannock Westminister-Canterbury



***Planning for Your Future***, Tuesday, February 26, 2019, 2:00-3:30 p.m., RWC Auditorium, Cookies & Coffee; Stuart Bunting, RWC President & CEO

***Learn About RWC From Our Resident Experts at a Resident Roundtable***, with a light lunch, Tuesday, March 26, 2019, 12:00 Noon-1:30 p.m., RWC Auditorium



***Senior Adults, and the High-Tech World Today***, Thursday, April 18, 2019, 2:00- 3:30 p.m. RWC Auditorium, Cookies & Coffee; with RWC's IT Manager, John Sites.

***Chesapeake Wealth Management, Topic and Speakers To Be Announced***,  
Tuesday, May 21, 2019, 2:00-3:30 p.m., RWC Auditorium



***Alzheimer's, Dementia and the Stages of Memory Loss***, Thursday, June 13, 2019, 2:00-3:30 p.m. RWC Auditorium, Cookies & Coffee; with Mary Arthur, RWC Dementia Care Coordinator