

5 TIPS for caregivers

FINANCIAL CONSIDERATIONS

We've all heard the saying that money talks. So why is it so hard to actually talk about money? For caregivers, it can be a topic that is often put off because it's too stressful or overwhelming. However, the sooner you can consider your financial options in planning for your loved one's care, the less stressful and overwhelming it will actually be. Here are some financial considerations when planning for future care.

1 Have the money talk

The first step to tackling any type of problem is to know what you're dealing with. The same is true for finances and care. Before you can really make any plans for long term care, you have to know your loved one's financial picture - and equally as important, you have to know what their wishes are. You don't need to get down to detailing every penny yet, but make sure you have a good picture of their financial status, especially if you're caring for a parent or relative and you may not have been involved with these accounts before. Does your loved one have savings or retirement accounts? Is there a long term insurance plan? Just get the general picture of assets. Then back to the other piece of the puzzle: what are your loved one's wishes? Do they want to remain at home? Would they prefer to be in a residential facility for the socialization? Maybe they are open to a variety of options? Once you have a general idea of the financial picture and your loved one's wishes, you can start to research and plan for the future with a care plan in mind.

2 Consider your costs

Knowing what your loved ones preferences for care are, you can then begin to consider the costs for these options. Many only think of the cost of a residential facility, but unfortunately there are costs in whatever care plan you may decide on. There will be fees of course for residential care facilities, but also for in-home care providers, or adult day health services. Be sure to also consider things like prescription drug costs or personal care supplies that may be required. And these costs can vary dramatically depending on where you live

as well. You may want to budget costs if your loved one was to move to be near family in another area. Then just don't forget to budget the move expenses!

3 Take a break - tax breaks and insurance

After calculating all of these costs, you may need to take a break! However, not all hope is lost - fortunately there are a few options to help you cover the cost of care. Insurance will be the first place to look. All insurance plans are different, so you will need to review your policy to confirm what will or will

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not be covered. Medicare typically does not cover long-term care, however might help with rehabilitation stays or in-home care under certain circumstances. Additional Medicare policies such as Medicare Advantage or Medigap insurance might help cover additional needs. If the person already has a long-term insurance policy, you will want to review benefits there. Be sure to consider when the benefits can be collected, types of care covered, and how long the benefits will last. A life insurance policy might allow some additional cash if needed.

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If your loved one was a veteran, they may qualify for VA benefits as well. Finally, you may want to consider Medicaid if your loved one has very low income or assets. And don't forget the tax breaks! You as the caregiver might be eligible for income tax deductions or credits if you are the primary caregiver. If the person with dementia is considered a dependent, you may be able to itemize medical expenses, or claim the Household and Dependent Care Credit if you have to pay for care to work.

4 Ask a professional!

Again, reviewing all of these tax and insurance options can be a bit overwhelming. Don't be afraid to reach out for help! Have another family member review a policy if it's not making sense to you. Or better yet – ask a professional! There is plenty of information available online for Medicare and Medicaid programs, or you can reach out to a State Health Insurance Assistance Program (SHIP) for one-on-one assistance. A tax advisor can also help you determine if you qualify for caregiver benefits. If there are a number of policies and accounts to consider, you may want to reach out to a financial advisor. Look for someone who has experience working with retirement planning and caregiving, and they can help provide guidance on how to best utilize your assets to enact your plan of care.

5 Be (a tiny bit!) selfish

Finally, don't forget to consider yourself in this plan. It is easy as a caregiver to focus all your attention and efforts on your loved one. However, remember that you still need to eat too! Be sure that when calculating your loved ones expenses, that you are also allocating enough for yourself to remain comfortable. Your loved one may want to remain at home, but if you've allocated all the money to their care and can't pay the mortgage, then that is not an effective care plan for either of you! If you are still working, be sure to weigh the pros and cons of quitting or retiring to provide care. You may miss out on years of service that are required to be vested in a 401(k) plan, or build retirement or social security benefits. Check into flex-time plans or family and medical leave (FMLA) to see if there might be an option to continue working while providing care if needed. It may be worth working that extra year if it will help you and your loved one gain needed benefits for down the road. Or you may find that you have enough to be comfortable, and providing care at home is the best option. Just be sure you are considering your own needs in this care plan too!



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