

## **Senior Living and Taxes – Are there benefits?**

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Senior Living is an expensive, significant life change. It can be nerve wracking and overwhelming at first, but a necessary move for older adults.

Did you know that medical expenses associated with assisted living are tax deductible?! Take advantage of this medical tax deduction!

### **How does assisted living fall under the IRS medical deduction?**

Medical expenses that are more than 7.5% of someone's adjusted gross income are eligible for the medical deduction, according to the IRS. There is not a specific assisted living tax deduction, however; you can deduct the medical portion of assisted living expenses, such as caregiver assistance. Other expenses, such as room and board, aren't considered medical expenses.

*Tip: A family member paying for a loved ones care can take advantage of this deduction.*

In order to qualify, the person receiving care must fit the IRS definition of "chronically ill" and have a care plan. When seniors move into an Edencrest community, they will receive an assessment to determine their needs and create their care plan. Someone qualifies as chronically ill if they require assistance with a minimum of two activities of daily living (ADLs).

### **What assisted living charges qualify for the tax deduction?**

Many of the services received at an Edencrest community qualify for the tax deduction. Assistance with personal care tasks may not seem like medical care, but they fall under the definition of chronic illness since it is helping with an ADL. This makes them tax deductible. These are common expenses in assisted living that are generally tax deductible:

- Medication management
- ADL assistance
- Therapies that are part of a medical treatment
- Transportation to and from the location of your medical care
- Most medical equipment and devices
  - Also, while some devices may be used for multiple years, such as a wheelchair, it can only be claimed for the year it was purchased.



At Edencrest communities, itemized bills are available upon request to help you break down what charges are tax deductible and what are not. If you need help with gathering your tax-deductible charges, please connect with your community's executive director.

Have more questions? Check out this resource or consult with a tax professional!

<https://www.aplaceformom.com/caregiver-resources/articles/assisted-living-tax-deductible>