

Will Uncle Sam help pay for your assisted living?

Medical expenses that exceed 7.5% of your adjusted gross income are deductible for federal income tax purposes. (In 2013 for those under 65, your expenses must exceed 10.5% of your adjusted gross income). Your assisted living expenses may be considered deductible medical expenses if:

1. The services are required by a chronically ill person, and
2. Provided pursuant to a plan of care prescribed by a licensed health care professional.

Chronic Illness Test

This test requires a written certificate from a health care professional that you meet either of these levels of care:

1. You cannot perform at least two of the activities of daily living without substantial assistance for at least 90 days.
2. You need protection from threats to your health and safety due to severe cognitive impairment.

You will find a sample certificate form in the Forms Section of our website under the heading "Health Care Planning".

Plan of Care Test

A plan of care can be a simple thing for a licensed health care professional to prepare. Most assisted living facilities have plans of care in place for their residents who meet the chronically ill test.

When you are a chronically ill individual with a plan of care in place, 100% of the cost of the assisted living facility (including room and board) are deductible medical expenses. Please discuss this with your accountant to see if Uncle Sam will help pay for your care.

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