

FACE THE FUTURE WITH *confidence*

THE ADVANTAGES OF THE TYPE A
LONG-TERM CARE PLAN



THE TYPE A CONTRACT PROTECTS WHAT'S MOST *important.*



The facts:

Retirement without a plan for long-term care is only half a plan. The fact is, more than two-thirds of seniors 65 or older will need to spend an average of three years in some type of long-term care facility¹ — assisted living, skilled nursing or memory care. Even with long-term care insurance and Medicare, the ever-rising costs of care can lead to financial hardship. And of course, making a decision at the time of need can be distressing.

The good news:

Choosing a Life Plan Community like Stoneridge Creek will allow you to continue your current lifestyle with confidence. Our Type A contract puts a plan in place for your future health care needs while protecting your nest egg. When you combine all the benefits, the Type A contract provides a comprehensive senior living plan.

¹ LongTermCare.gov (<https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>)

The key benefits of the Type A contract:

ESTATE PROTECTION

with a highly repayable entrance fee and predictable monthly expenses

PREFERRED ACCESS TO HIGHLY DESIRABLE LONG-TERM CARE

including assisted living, memory care, and long-term care in a skilled nursing center, if you ever need it

SUBSTANTIAL SAVINGS

compared to staying in your home or the costs of a nursing home (see chart)

POTENTIAL TAX BENEFITS

because the Type A contract may qualify as a prepaid medical expense (subject to IRS limitations)



FREQUENTLY ASKED *questions* ABOUT HEATHER FARM'S TYPE A CONTRACT

What is a Life Plan Community?

Life Plan Communities (also known as continuing care retirement communities, or CCRCs) provide residential living with services and amenities to make your lifestyle more convenient and enjoyable. Most importantly, as your health needs change, Life Plan Communities provide residents preferred access to highly desirable long-term care.

How does the Type A (Extensive) contract benefit me?

Your one-time, highly repayable entrance fee and predictable monthly fee ensure you have practically everything you need for a worry-free retirement. The contract helps to protect against the seemingly ever-rising costs of long-term care by keeping your fees lower than market costs.

What if I already have long-term care (LTC) insurance?

Should you opt to maintain your LTC insurance policy after moving to Stoneridge Creek (where long term care is included for most residents), proceeds from that policy are typically paid directly to you. Every policy is different and each resident should evaluate if keeping their LTC insurance policy makes sense for them—taking into account not only the costs associated with maintaining the policy but also any limitations it may have.

What is an entrance fee?

This is a one-time fee, highly repayable to you or your estate if you leave Stoneridge Creek. The entrance fee provides you a residence at the community and priority access to long-term care at the adjacent health center. The amount of the fee depends on the residence you choose and the number of occupants in the residence.





What levels of care does Stoneridge Creek offer access to?

Stoneridge Creek offers residential living with convenient access to the adjacent health center for assisted living, memory care, and long-term care in a skilled nursing center, if ever needed.

What are the tax benefits of the Type A (Extensive) contract?

Several IRS rulings have established that a portion of the community entrance fee and monthly fee is deductible as a pre-paid medical expense. Consult your tax adviser for details.

Does the Type A (Extensive) contract make sense for a couple?

Yes. If one partner ever needs additional care in the adjacent health center, couples enjoy the assurance of remaining nearby, interacting conveniently as often as they like. In fact, it may be even more cost-effective, because the monthly fee per

person remains the same, plus two additional meals per day, currently estimated to be a \$550/month charge.

What does my monthly fee cover?

Your monthly fee covers our unique lifestyle advantages and community services, making the Type A contract an exceptional value. The monthly fee covers a host of services and amenities across our gorgeous 50-acre campus. A sampling of these include:

- Maintenance-free living with no home or yard upkeep
- Wellness and fitness programs, social and cultural events, recreation and entertainment
- Multivenue restaurant-style dining
- Biweekly housekeeping
- Basic utilities in your residence, including heat, air conditioning, electricity, gas and water, with EV charging available for a surcharge.

THE TYPE A CONTRACT *difference.*

There are several senior living options in the Bay Area. Each type differs in its amenities, contracts and costs, levels of care available, and value.*



LIFE PLAN COMMUNITY:

A community designed to provide an active, fulfilling lifestyle, along with peace of mind for the future.

RENTAL COMMUNITIES:

Instead of an upfront entrance fee, residents pay monthly for their residence and use of the community's services and amenities. If on-site health care is available, typically residents would pay the full market price for that care.

STONERIDGE CREEK:

As a Life Plan Community with a type A contract, we offer residential living with different levels of care included. Residents who need long-term care have preferred access to those services in a familiar setting, at the same monthly fee**, plus the cost of two additional meals per day.

*We encourage you to further research the different types of contracts and the differences in value to you. The above is our effort to get you started by describing some typical aspects. Always ask questions, because individual community plans may differ.

**Exclusions may apply based on pre-existing conditions.

Type A Extensive Contract

- Prepay for long-term care
- Monthly fee remains predictable, even with elevated care needs
- Predictable expenses make planning easier

Type B Modified Contract

- Prepay for some future care
- Cost of care discounted in some form, usually with a discount or predetermined number of free days in the health center

Type C Fee for Service Contract

- Little or no prepay for care
- Cost of care services paid by resident at full market rates
- Expenses less predictable
- Resident absorbs risk for cost of care





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