



A move that makes financial sense. Tax deductible benefits of The Waterford.

Does being a resident of The Waterford qualify for a tax deduction?

Current federal tax regulation allows some residents of Continuing Care Retirement Communities (CCRCs) to deduct the portion of their entry fees and monthly service fees that are considered prepaid healthcare costs from their taxes.

- The Waterford is a CCRC.
- Our community provides a comprehensive range of residential living, lifestyle, services and amenities in a single location.
- Residents can access various levels of care—from Independent Living, Rehab and Skilled Nursing Services—as part of our contractual arrangement.
- Your contract includes an entrance fee along with additional monthly service fees.

A few things to consider:

- The deductible portion of your monthly service fees may vary by community and state, regardless of the actual services you utilize.
- Your decisions for the year may vary if you haven't resided in the community for a full 12 months.

THE WATERFORD | 

A LIFESPACE COMMUNITY®

CELEBRATING OVER 40 YEARS *as a* LIFESPACE COMMUNITY

Independent Living | Skilled Nursing | Rehabilitation | Assisted Living & Memory Care — Planned for 2026!



WHAT TAX DEDUCTIONS SHOULD I EXPLORE WITH MY TAX PROFESSIONAL?

Option 1—An Entry Fee Tax Deduction on an IRA Withdrawal

When you make an IRA withdrawal to pay your entry fee, you may qualify for a one-time tax deduction that could reduce the taxes you pay on that withdrawal.

Option 2—Entry Fee Tax Deduction on a Roth IRA-Conversion Offset

In addition to Option 1, if you cover the entry fee by withdrawing funds from an IRA using a Roth IRA conversion, you may have the option of potentially lowering your taxable income or offsetting taxes due. This approach could lead to savings for you and your heirs, and it may be beneficial when you plan your estate.

Option 3—Ongoing Monthly Service Fee Tax Deductions

If you are eligible for a tax deduction on your entry fee, chances are you may also be able to claim deductions on your monthly service fees. Unlike the entry fee deduction, deductions on your monthly service fees could be claimed year after year.

Potential annual tax savings by the numbers:

\$4,500—Your monthly service fee

12—Number of months you reside at The Waterford

\$54,000—Annual monthly service fees

30%—Your federal tax rate

\$16,200—Your annual tax deduction

The bottom line:

A portion of your entry fee and monthly service fees for The Waterford may be tax deductible, and those potential deductions can really add up. We encourage you to meet with your professional tax advisor to learn the facts about your eligibility and the implications of these potential tax deductions.

Learn more about easy coastal living at The Waterford.

Call (561) 623-5432 or visit TheWaterford.com.