How to Choose a Retirement Community
Making a decision to move to a retirement community is a complex one. There are many issues to consider, including timing, financial feasibility and change in lifestyle.

While some facts of the decision-making process are more practical in nature, such as which type of residence is best suited for you or which community offers the best value, other aspects are more emotional. Keep in mind that a retirement Sales Counselor is a resource much like a financial planner or an attorney. They have years of experience helping incoming people through the decision process – regardless of outcome.

Some people decide very quickly on their move. Others take their time. There is not necessarily the “correct” decision but rather a sound decision-making process for those who are unsure. We encourage due diligence and offer this booklet as a guide to explore Willow Valley Retirement Communities (WVRC) or any other(s). Please feel free to call us toll-free at 800.770.5445 or e-mail info@willowvalley.org if we can be of assistance.

The “Private” Conversations

Ask yourself the following questions

- How will our lives change? Do the benefits of proactive planning for long-term care outweigh the adjustments we may need to make?
- What will we do as “Plan B” if we decide to make a move later rather than sooner and an unexpected, significant health event occurs?
- What will our children think?
- Will they perceive that we are folding into a less active lifestyle?
- What are the important aspects of our new life that would address these concerns?

- Even if we hesitate to leave our current lifestyle, is it worth waiting for a period of time? Is our current lifestyle, our home, and social activities, still fulfilling or would a move improve our overall quality of life? Will preparing our house for sale, packing and unpacking, and adjusting to a new environment be more difficult if we wait?

The “Practical” Questions

- Can we afford it? The best way to determine the answer is to discuss your financial situation with a Sales Counselor. They can discuss financial qualifications using a worksheet and match you to a residence in your price range.
- What is a practical timeframe for considering a move? Consider completing the sample worksheets included in this brochure. Please refer to pages 8 and 9. Create a timeline to attend events and schedule appointments at the community, complete the application process, explore the geographic area, prepare for a house sale, select a new residence, review agreements, consult with professionals and weigh payment options.
- Do we meet medical qualifications? Review medical requirements and current healthcare coverage with your Sales Counselor. When applying, you will need to schedule a visit with your physician to complete your medical history.

Good Practice

Stay overnight at communities

Many communities have programs like Willow Valley’s “Be Our Guest” program. Pre-qualified prospective Residents are encouraged to visit for a complimentary overnight stay so they can get an “insider’s view” of community life. It is a valuable opportunity to look around, talk to Team Members and Residents, ask questions, enjoy meals and stay in a guest accommodation.
Involve your trusted advisors
You will receive much advice and feedback about moving to a retirement community. Encourage those with whom you discuss this decision to assist in your due diligence. Offer to share copies of Financial Disclosure statements, Resident Agreements and promotional literature. Invite them to visit the community with you and arrange for lunch and/or a tour of residences you are considering. Provide others with our web address WillowValleyRetirement.com, and social media sites, including RestartRetirement.com and Facebook. These resources provide valuable insights into community life.

Create a list of criteria and rank their importance

Here are some initial ideas that you can sort by the size and type of residence you desire and by the community overall.

Community (Meaning Willow Valley or any other)
- Contract type – Type A (Lifecare), Type B (modified lifecare) or Type C (fee for service)*
- CARF-CCAC accredited (Visit www.carf.org for more information.)
- Not-for-profit versus for-profit (WVRC is not-for-profit)
- Availability and wait list programs
- Surrounding local community – aesthetics, culture, access to quality healthcare
- Tax implications and the area’s cost of living for retirees
- Financial Disclosure and historical performance

Residences
- Amenities including parking, dining, access to core services (such as beauty shop, pharmacy and dining rooms)
- Square footage, number of bathrooms and bedrooms
- View, floor access, light orientation

Customization
- Interior design options
- Renovation schedule
- Maintenance services

*Refer to CCRC contract types on the next page for more explanation.
What is a Continuing Care Retirement Community? (CCRC)

- Offer a full continuum of care: Independent Living, Personal Care, Skilled Nursing, and sometimes Memory Support
- All Lifecare communities are CCRCs; not all CCRCs are Lifecare communities
- Approximately 2,400 in the country; Pennsylvania has the most, followed by Ohio
- Some for profit; most not-for-profit (82%)
- Typically have campus conveniences such as maintenance, security, dining services, trips/activities and amenities such as libraries, banks and beauty shops

CCRC Contract Types

**Type A Contract – Lifecare** *(Willow Valley offers this type of contract.)*

Also called extensive; provides unlimited lifetime access to Independent Living, Personal Care (Assisted Living), Memory Support and Skilled Nursing – no increase in monthly fee as a result of needing a higher level of care

**Type B Contract**

Also called modified; discounted rate for Independent Living with a limited period of Personal Care (Assisted Living) or Skilled Care included. Beyond that period, the Resident pays per diem. Average cost for Personal Care is approximately $140 and Skilled Nursing is approximately $300 per day

**Type C Contract**

Also called “fee for service” or “rental.” Provides for a lower monthly service fee (in general) for Independent Living residents but charges a per diem rate to residents needing Personal Care or Skilled Nursing

Making a Decision to Move to a Lifecare Community

**So you’re not ready yet? What will trigger your decision to move?**

- When a significant health event occurs?
- When you’re ready to face downsizing and moving?
- When the real estate market rebounds?
- When you realize you are overwhelmed by household responsibilities?
- When your children are wondering what would happen if…?

Lifecare is about being proactive and making a decision on your own terms.

Waiting may result in:

- Limited options (no residence matching your preferences; taking what is available)
- Stress regarding home sale and finances
- Having to rely on family members for daily support and coordination
- Facing major decisions alone
- Jeopardizing eligibility (medically or financially)
- Adjusting to a new environment at the most inopportune time

Lifecare is also about living in an environment most conducive to healthy aging:

- Unconditional long-term care insurance
- Fresh, balanced, nutritious meals
- Peer support (people who can relate to the challenges associated with aging)
- 24/7 emergency response by on-site nurses
- A maintenance-free lifestyle
- Access to pharmacy, transportation and banks in inclement weather or during illness
The Financial Investment
(Details provided by your Sales Counselor)

- One-time Entrance Fee (varies by unit selected and contract type)
- Ongoing Monthly Service Fee (does not increase should you move to Supportive Living)
- Fees are based on one person or two person occupancy

Other Financial Considerations

1. Pennsylvania does not tax retirement income (pension & Social Security)

2. Willow Valley issues a Financial Disclosure Statement each April. (Ask your Sales Counselor for a copy.)

3. Over 25-year history of performance excellence – 10th consecutive year of A-category Standard & Poor and Fitch credit ratings

4. Value for price paid – Lifecare costs 40% less in Lancaster County compared to metropolitan areas such as Philadelphia and New York/New Jersey

5. Taxes – The IRS allows for a medical expense deduction for a portion of the entrance fee and ongoing monthly service fee
   - In 2011, for example, the allowable weighted deduction (one time) was $36,195 for a couple and $33,545 for a single Resident
   - The monthly fee deduction ranges from $1,111 to $1,477 per couple

6. Low Monthly Fee annual increases – WVRC 20-year average 3.6%:
   January 1, 2011 to 2012 = 2.8% (All communities typically increase fees annually.)

Contract Options at Willow Valley Retirement Communities

Capital Preservation (Zero refund) • Traditional (33% refund) • Estate Preservation (90% refund)*

* 90% Entrance Fee Refund available to Residents 79 years of age or less.
Retirement Community Preparation Checklist

☐ Listed which communities I/we want to visit
☐ Prepared list of criteria for comparison
☐ Completed a personal appointment with a Sales Counselor
☐ Decided upon Lifecare or Fee-for-Service Community (Refer to page 5 CCRC Contract Types.)
☐ Determined timeframe to make the move
☐ Encouraged key influencers to be involved
☐ Narrowed community selections based on needs and lifestyle
☐ Attended several events (luncheons, tours, presentations)
☐ Stayed overnight in a Guest Room and talked with residents of community
☐ Selected an apartment that suits my/our taste and budget
☐ Involved a trusted advisor in reviewing contracts and/or financial statements
☐ Selected a realtor and received a fair market value appraisal for house
☐ Prepared house for sale including de-cluttering and staging (WVRC offers this service)
☐ Priced my/our house aggressively to sell
☐ Shared community website and social media sites with friends and family
☐ Decided on a plan “B” in the event the home doesn’t sell as quickly as I/we would like (Willow Valley’s Transition Services offers options to relieve some of this stress.)

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Willow Valley Retirement Communities’
Value for Price Paid Comparison Worksheet

The costs associated with living at Willow Valley are:
1. Already a part of living expenses in your current home
2. Offset by significant medical expense tax deductions
3. Will protect you in the future from unpredictable long-term care costs

By shifting many of your current expenses (such as property taxes, utilities, meals, home maintenance, etc.), you achieve a maintenance-free lifestyle in a stimulating and active community, with the peace of mind that you have your plan in place at a predictable cost.

Use the chart below to compare your current costs of living to the benefits of choosing Willow Valley Retirement Communities

<table>
<thead>
<tr>
<th>Monthly Expenses</th>
<th>Your Current Monthly Costs</th>
<th>Your Monthly Costs at Willow Valley Retirement Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Real Estate Taxes</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Property Insurance</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Groceries and Dining*</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Security</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Utilities *(Electric, Water, Heating, Trash Removal)**</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Homeowner’s Dues</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>24-Hour Emergency Response</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Non-Emergency Nursing Evaluations</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Snow Removal</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Grass Cutting, Leaf Removal</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Grounds Upkeep <em>(Mulching, Plantings, Gutter Cleaning)</em></td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Exterior Painting + Maintenance</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Home Repair <em>(Appliance Maintenance and Inspection, etc.)</em></td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Golf Membership</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Live Entertainment + Activities</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Fitness Expenses/Gym Membership</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Aquatic Membership</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td>Long-Term Care Insurance Premium****</td>
<td>$</td>
<td>INCLUDED</td>
</tr>
<tr>
<td><strong>Total Monthly Expenses</strong></td>
<td>$</td>
<td>$1,204 – $3,653***</td>
</tr>
</tbody>
</table>

* Meal plan included in many residences.
** Cable, Internet and telephone not included.
*** Depends on apartment style selected.
**** Long-Term Care insurance not needed at WVRC.
Willow Valley Retirement Communities’
Affordability Worksheet

To determine financial qualification, Willow Valley recommends that your assets be approximately double the entrance fee (2012 Entrance fees start at $73,500*) and that your monthly income be double the monthly fee (Single person monthly fees range from $1,204 to $3,653). The Lifecare plan at Willow Valley enables you to budget and know how much you will be paying for services, even if you need long-term care in the future.

*Capital Preservation/Zero Refund

Complete the worksheet below to calculate financial affordability. We also suggest that you contact your Sales Counselor who can answer additional questions or provide assistance.

<table>
<thead>
<tr>
<th>Step 1: List Your Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Your Home (Less Mortgage Liability)</td>
<td>$</td>
</tr>
<tr>
<td>Savings and Checking Accounts</td>
<td>$</td>
</tr>
<tr>
<td>Stocks and/or Bonds</td>
<td>$</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>$</td>
</tr>
<tr>
<td>Other (Trust, Real Estate, etc.)</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Step 2: List Your Sources of Monthly Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security</td>
<td>$</td>
</tr>
<tr>
<td>Pension</td>
<td>$</td>
</tr>
<tr>
<td>Interest/Dividends, Other</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Monthly Income</strong></td>
<td>$</td>
</tr>
</tbody>
</table>
Nestled in 210 scenic acres just five miles south of Lancaster City, Willow Valley Retirement Communities attracts people from all over the United States. In fact, current Residents represent 37 different states.

“That is pretty unique for a retirement community. We are a destination community. Most retirement communities typically draw from a 15 mile geographic radius,” said Rosanne Macrina, Manager of Marketing and Public Relations.

What separates Willow Valley Retirement Communities from many other retirement communities is their Lifecare agreement, a unique financial investment offering peace of mind and financial security when considering the Residents’ long-term health. Lifecare is the primary reason retired CPA June Wesbury found Willow Valley. The former resident of Arizona spent her entire career in healthcare finance and knew a great value when she saw one. She and her husband have been living at Willow Valley for the past seven years.

“I was well aware of the benefits of moving to a Lifecare community,” Wesbury said. “A lot of places qualify as a Continuing Care Retirement Community, but they don’t all offer a Lifecare plan. When I began looking for communities I was only looking for one that offered a Lifecare plan.”

For Resident Joe Nolt, the next step to his second phase in life was found in his own backyard. The longtime Lancaster resident made a career in the insurance business, where he ultimately served as Chairman of the Board of Murray Risk Management and Insurance.

“What drew us to Willow Valley was a combination of things, one of them being Lifecare,” Nolt said.

“The Lifecare aspect was important to us. When we started to look at retirement communities, my wife and I both carried long-term care insurance and moving to Willow Valley convinced me that we could feel comfortable canceling our long-term care insurance if we had Lifecare.”

—Willow Valley Resident, Joe Nolt

For Nolt, the decision was about downsizing—the family can still come over for Christmas and Thanksgiving and have plenty of room. Now, Lifecare offers him and his wife peace of mind about their future health.

“Lifecare is about Willow Valley assuming the risk of potential healthcare costs in the future,” explained Macrina succinctly. “We are essentially a long-term care insurance policy with a resort lifestyle wrapped...”
around it. There’s no paperwork. There’s no wait period. There are no caps. It is similar to unconditional long-term care insurance.”

The risk is presented in a simple question. Will you need long-term healthcare in the future? But the bigger question is, what will that healthcare cost? “I invest my money and they take care of me for the rest of my life at no increased cost except the cost of living and my monthly fee,” Wesbury said. “We assume the risk,” said Macrina.

“This adds protection in an environment where long-term care costs are always rising because no one knows what that cost is going to be twenty years from now. Even if a Resident would never need supportive living care, the whole Lifecare concept is to create an environment and setting in which people age in the most healthy way possible.”

—Rosanne Macrina
WVRC Manager of Marketing and Public Relations

“They accept the risk that I may live to be 100 and I accept the risk that I am going to die tomorrow,” Wesbury said.

Potential Residents of Willow Valley must meet medical and financial qualifications to attain residency. After qualifying, Residents pay a one-time entrance fee. (This fee, and a portion of the monthly service fee discussed later, are both considered health care expenditures and qualify as federal tax deductions. The 2011 allowances for a couple were $36,195 and $33,545 for a single Resident.)

Along with the one-time fee, Willow Valley Residents pay a monthly service fee. Monthly prices range according to the type of residence chosen, and Willow Valley Retirement Communities offers options from studio apartments to award-winning townhomes. The monthly fee includes luxuriously sculpted grounds, home repair, most utilities, transportation services, various dining plans, and much more.

“That monthly service fee does not change as a result of someone needing a higher level of care,” Macrina said. That’s a reassuring fact. From the first moment, walking into the Welcome Center, to the regular, evening meals designed by educated nutritionists and innovative chefs, Willow Valley is designed to engage, inform, and inspire life.

“Lifecare and the Willow Valley Community is set up for Residents to be independent and to live the lifestyle they desire, relatively carefree and as active as they’d like,” concluded Macrina.

As seen in Fine Financial magazine 2011 Issue Two, article by Michael Upton
What is Willow Valley’s Lifecare Agreement?

Willow Valley’s exclusive Lifecare Agreement is an all-inclusive plan that systematically addresses future financial liability relative to medical expenses, reduces life stressors and offers a full continuum of long-term care services, if needed, from independent living to skilled nursing support—all at no additional cost. Simply put, Lifecare functions as an unconditional long-term care policy, wrapped in a resort lifestyle.

WVRC Residents Judd and Peggy McConnell enjoy walking the miles of foot paths on the WVRC Campus.
Lifecare at Willow Valley is the best alternative to Long-Term Care insurance

<table>
<thead>
<tr>
<th>Key Consideration</th>
<th>WVRC Lifecare Agreement</th>
<th>Long-Term Care Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Where do I receive my long-term care should I ever need it?</td>
<td>Lifecare guarantees your care — at Willow Valley, where you are familiar with friends and staff and have already evaluated the supportive living care services and communities.</td>
<td>Depends on availability.</td>
</tr>
<tr>
<td>When does my Lifecare coverage begin?</td>
<td>As soon as needed – no paperwork, approvals or delays.</td>
<td>Benefits typically start 30-90 days after an event, however in some instances this wait will extend even further.</td>
</tr>
<tr>
<td>How do I insure that my coverage purchased now will cover costs in the future?</td>
<td>Willow Valley’s Lifecare contract incorporates an investment strategy that has succeeded in doing just that for over 25 years!</td>
<td>You will likely need to add an “inflation rider” to your policy, which could substantially increase the premium payment.</td>
</tr>
<tr>
<td>Is my cost fixed for long-term care coverage?</td>
<td>Yes. Lifecare Residents do not pay a higher fee if and when long-term care is needed. The beauty of Lifecare is the predictability of cost.</td>
<td>It depends. Many insurers initially offer a fixed cost which they cannot individually increase, but can raise premiums on all policies if the claims exceed expectations. There is no way to predict claims.</td>
</tr>
<tr>
<td>What do I do if I need long-term care?</td>
<td>Willow Valley’s continuum of care is seamless. Regardless of a short-or long-term stay, Resident Services will coordinate all aspects — no searches, no paperwork, no stress.</td>
<td>You will need to check eligibility for benefits, review elimination periods and costs of care, seek out a provider who has availability, submit paperwork, make arrangements for home maintenance and coordinate logistics (transportation, etc.)</td>
</tr>
<tr>
<td>What are the other benefits of Lifecare versus LTC insurance?</td>
<td>A Lifecare agreement at Willow Valley commences when Residents are healthy and independent, with the goal to support the best functionality as you age. You reside in a beautiful retirement community with award-winning lifestyle and amenities and grow to know other Residents and Staff — any adjustments are fully supported and we’re fully accountable!</td>
<td>Long-Term Care insurance is a premium paid to a company. You don’t become part of a community of investors in the same product. There is no predictability to future costs or guarantee of a good quality placement for care. You will need to make decisions, fill out forms and make adjustments at a time when you feel least able to do so.</td>
</tr>
</tbody>
</table>

Depends on availability.

Benefits typically start 30-90 days after an event, however in some instances this wait will extend even further.

You will likely need to add an “inflation rider” to your policy, which could substantially increase the premium payment.

It depends. Many insurers initially offer a fixed cost which they cannot individually increase, but can raise premiums on all policies if the claims exceed expectations. There is no way to predict claims.

You will need to check eligibility for benefits, review elimination periods and costs of care, seek out a provider who has availability, submit paperwork, make arrangements for home maintenance and coordinate logistics (transportation, etc.)

Long-Term Care insurance is a premium paid to a company. You don’t become part of a community of investors in the same product. There is no predictability to future costs or guarantee of a good quality placement for care. You will need to make decisions, fill out forms and make adjustments at a time when you feel least able to do so.
About Willow Valley Retirement Communities

✦ One organization, four Communities (Manor, North, Lakes, Spring Run), with construction on our latest expansion, Providence Park, consisting of villas and apartments currently underway
✦ Two campuses (1 mile apart) over 210 acres
✦ Not-for-profit and independently operated – no religious, fraternal, or healthcare affiliations
✦ Local decision making – our Corporate Management and Board of Directors are based in Lancaster, PA
✦ Approximately 2,300 Residents from 37 states
✦ Accredited by CARF-CCAC
✦ Lifecare Type A Contract (unconditional long-term care if needed at no additional cost)
✦ Enter as an active, independent adult age 60+ (55+ for Providence Park residences)
✦ Two acceptance criteria: Financial and Medical
✦ Maintain your medical coverage and primary care physician
✦ Regulated through the PA Department of Insurance
600 Willow Valley Square
Lancaster, PA 17602

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info@willowvalley.org
WillowValleyRetirement.com

RestartRetirement.com
A retirement resource sponsored by Willow Valley Retirement Communities

To get more information, use your smart phone to scan this QR code.