

Swiss Village



January 22, 2010

**Memorandum to Swiss Village Residents
Regarding: Medical expense information for your tax preparer**

In February 2004 a U.S. tax court case (Delbert L. and Margaret J. Baker v. Commissioner of Internal Revenue) set a precedent which supports persons residing in a continuing care retirement community claiming a medical expense for a portion of the entrance fees paid and for the care fees paid during the year. The following information is being provided to assist your tax preparer. See below for information related to the level of care that you reside in.

Residents residing in a North Campus Independent Living Duplex:

- ❖ Entrance Fees: Persons entering directly into an Independent Living Duplex in 2009 can take 19.1% of their Facility Fee and Fund Deposit as a medical expense.
- ❖ Daily Fees: Persons residing in an Independent Living Duplex during 2009 can take \$2.15 per resident per day as a medical expense.

Residents residing in a Congregate Independent Living Apartment:

- ❖ Entrance Fees: Persons entering directly into an Independent Living apartment in 2009 can take 19.1% of their Facility Fee and Fund Deposit as a medical expense.
- ❖ Daily Fees: Persons residing in an Independent Living apartment during 2009 can take \$2.91 per resident per day as a medical expense.

Residents residing in Residential Care:

- ❖ Entrance Fees: Persons entering directly into Residential Care in 2009 can take 19.1% of their Facility Fee as a medical expense.
- ❖ Daily Fees: Persons residing in Residential Care during 2009 can take \$8.91 per resident per day as a medical expense.

Residents residing in Assisted Residential Care:

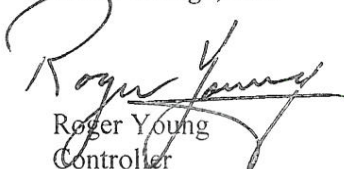
- ❖ Entrance Fees: Persons entering directly into Assisted Residential Care in 2009 can take 19.1% of their Facility Fee as a medical expense.
- ❖ Daily Fees: Persons residing in Assisted Residential Care during 2009 can take \$12.50 per resident per day as a medical expense.

Note:

- ❖ You may not take the "Renter's Deduction" on your Indiana return
- ❖ In addition to the above medical expense you are entitled to claim charges for additional medical services you may have received and paid for during 2009.
- ❖ Fees paid for nursing care days are considered a medical expense and would be in addition to the above medical expense.

Disclaimer: Swiss Village is not a tax advisor and is not providing tax advice for your individual situation. This letter is prepared for your tax preparer. The information included on this sheet may or may not be pertinent to your tax situation. Only your tax advisor can ascertain your eligibility to claim a medical expense.

Sincerely,
Swiss Village, Inc.


Roger Young
Controller


Derick Bailey
Director of Resident Services


Daryl Martin
Executive Director