

A number of financial resources may be available to help cover the costs of care for the person with Alzheimer's or other dementia. Some may apply now and others in the future.

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Insurance

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For most individuals 65 or older, Medicare is the primary source of health care coverage.

However, private insurance, a group employee plan or retiree health coverage also may be in effect. If the person with dementia is younger than 65 years old (considered [younger-onset Alzheimer's](#)), he or she may have private insurance, a group employee health plan or perhaps retiree medical coverage. If he or she changes policies, check how

soon Alzheimer's disease expenses will be covered under the new policy.

Learn more: [Insurance](#), [Medicare](#), [COBRA](#)

Employee benefits

If the person with Alzheimer's continues to work during the early stages of the disease, benefits may include paid sick leave, short-term disability benefits and a flexible spending account (allows payment for out-of-pocket medical expenses with pretax dollars, for potential savings of about 20%-30%).

Make sure to:

- Review the employer's benefits handbook.
- Ask the benefits specialist what benefits may be available, e.g., the employer may provide paid sick leave or other short-term disability benefits (usually for one year or less).
- Keep written confirmation of all benefits.

Retirement benefits

Benefits from retirement plans can provide critical financial resources, even if the person with dementia hasn't reached retirement age.

Retirement plans include:

- Individual retirement accounts (IRAs).
- Annuities.

Pension plans typically pay benefits before retirement age to a worker defined as disabled under the plan's guidelines.

The person living with dementia also may be able to withdraw money from his or her IRA or employee-funded retirement plan before age 59 1/2 without paying the typical 10 percent early withdrawal penalty. This money usually will be considered regular income, and taxes will have to be paid on the amount withdrawn.

In that case, if withdrawals can be delayed until after the person leaves work, income taxes due will likely be less because he or she will probably fall into a lower income tax bracket. Social Security benefits are also available before retirement age if Social Security disability requirements are met.

Personal savings, investments and property

Personal assets — belonging to the person living with dementia or other family members — can be sources of income to help pay for care. These include:

- Investments, such as stocks, bonds, savings accounts and real estate.
- Personal property, such as jewelry or artwork.

Equity in a home may be converted into income through a process called a reverse mortgage. This loan allows an individual age 62 or older to convert some of the equity in his or her home into cash, while remaining the homeowner. The

amount the person is eligible to borrow is generally based on the person's age, home's equity and lender's interest rate. Reverse mortgages do not have an impact on Social Security or Medicare benefits, but they may affect the person's ability to qualify for other government programs.

Government assistance

Learn about veteran benefits

Veterans Administration (VA) services for veterans living with Alzheimer's or dementia and their caregivers can include in-home care, long-term residential care, hospice and respite for caregivers.

[Visit the VA Website](#)

In addition to Medicare, the person with dementia may qualify for a number of public programs. These programs provide income support or long-term care services to people who are eligible. This includes Social Security Disability Income (SSDI) for workers younger than 65, Supplemental Security Income (SSI), Medicaid, veteran benefits, and [tax deductions and credits](#).

Learn more: [Government Programs](#), [Medicaid](#), [Tax Deductions and Credits](#)

Community support services

Many community organizations provide low-cost or even free services, including respite care, support groups, transportation

and home-delivered meals. You also may consider informal care arrangements using family, friends, neighbors, faith communities and volunteer groups.

Learn more: Find support services through your local [Alzheimer's Association® chapter](#) or the [Community Resource Finder](#).