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When Parents Move In With Adult Children

Housing costs and nursing home costs continue to rise. Many adult children and their parents are exploring the possibility of living together. This arrangement should not be undertaken lightly. Preparation is the key to success and can incorporate everything from physical modification of the house to finances. The following are some things to think about.

Work out the financial details first. These can be very sensitive. Can the parent contribute to the cost of renovations? If the parent has other children, will they object to the parent's capital contribution to their sibling's home? Will this cause ill feelings in the family? Even if no renovations are anticipated, an extra mouth to feed can be expensive. How much can or should the parent contribute to the household? What if the parent requires home health care? If the parent doesn't have sufficient assets to pay for room, board and care, will the other children contribute?

There are tax and other considerations. If the parent contributes to remodeling the house, should the parent receive an ownership interest? Should the parent gift their portion of the house to the children, retain an interest, or put it in a trust? These and other decisions will affect the parent's future eligibility for Medicaid nursing home care. Should a contract be established by which the parent pays the children for providing care? Should promissory notes be utilized to reflect sums paid by the child or children on behalf of the parent?

Make the home senior friendly. Whether adding an addition or just fixing up a spare bedroom, adjustments should be made to accommodate the parent. Doorknobs can be replaced with levers, stair railings must be sturdy, grab bars should be installed in the bathroom, and rugs with non-slip backings should replace those that will present a falling hazard. Some homes require more significant adaptations. These may include the installation of a ramp for wheelchair accessibility, the conversion of a room on the first floor into a bedroom, the installation of a stair lift, or widening doors to accommodate a wheelchair or walker.

Personalize the home for the parent. Consider the parent's likes and dislikes. The goal should be to make the parent feel at home. Even if he or she will occupy only a bedroom, it should be made to feel like it is their space. Prepare the grandchildren and discuss the advantages of having a grandparent in the home.

Look into a tax deduction. When considering the financial details of this new arrangement, ascertain whether the child is able to claim the parent as a dependent. A tax deduction may be applicable if the child provides more than half of the parent's support during the year.

To avoid fostering resentment and guilt among other family members, all of these issues should be addressed before the decision to move is finalized. It may be helpful to prepare and have all of the family members enter into a family agreement. Reducing the arrangements to writing, and asking everyone to participate in the agreement and to acknowledge their acceptance of its terms can significantly eliminate arguments. An elder law attorney can help your family create a plan that takes into account the contingencies so that everyone is on the same page and knows what to expect.