

TOP TEN REASONS WHY LONG-TERM CARE INSURANCE IS IMPORTANT NOW

Many people mistakenly believe Long-Term Care Insurance is something they don't need to worry about until they are much older. Few people try to understand long-term care costs and payment options until it's a necessary part of their lives, and by then it's too late. Sadly, some people even assume Medicare or the government will cover this cost. Almost everyone needs Long-Term Care Insurance now regardless of their age.



Reason #1: The need for Long-Term Care can occur at any age

The need for Long-Term Care can happen at any stage in life. It usually occurs when we least expect and it can be financially devastating if someone has not prepared for the possibility.

Non-age-related events such as accidents, strokes, cancer and Alzheimer's can arise at much younger ages than most people anticipate they will need Long-Term Care.

Reason #2: Your health may change in the future and you may be declined

Long-Term Care Insurance policies are only available to people who do not currently have pre-existing conditions that make them more likely to need Long-Term Care in the future.

The longer someone delays enrollment in Long-Term Care Insurance, the more likely they will have a health condition or cognitive impairment that prevents them from being approved.

In this situation, they would have to pay the full costs for their care from their own resources.

Reason #3: Long-Term Care Insurance premiums increase if you enroll at a later age

Long-Term Care Insurance premiums are calculated based on the age at which you enroll. Premiums for people who sign up in their 70's are much more expensive than for people who enroll in

their 60's. Accordingly, someone who signs up in their 60's will pay more than someone who enrolls in their 50's.

Due to your age and health status – Long-Term Care Insurance rates are the most affordable right now!

Reason #4:
There is a 70% chance you will need Long-Term Care in the future

According to the U.S. Department of Health and Human Services, 70 percent of Americans who turn 65 will need long-term care at some point during the remainder of their lives. If you are married, the odds are very good that at least one of you will need long-term care.

This percentage has been increasing dramatically during the past two decades and is expected to continue to increase. Due to advances in modern medicine, many Americans are surviving health events such as stroke, cancer and heart attacks that previously resulted in a higher death rate. However, these advancements mean people are living longer and needing more assistance.

Reason #5:
The high costs of Long-Term Care can financially devastate a well-planned retirement

A recent study indicates that the average lifetime cost of long-term care in retirement tops \$250,000.

If someone has not prepared by setting aside funds to pay for this either through Long-Term Care Insurance or other funding resources, this high cost can drain most of a person's or couple's retirement savings.

In many unfortunate circumstances, a surviving spouse is left destitute and unable to maintain the same lifestyle they are accustomed to or sadly, they can't pay their bills due to retirement savings that were redirected to Long-Term Care costs.

Reason #6:
Long-Term Care Insurance can prevent you from being a burden to your loved ones

You may assume that if you need long-term care, your family will take care of you. However, if the time comes when you need such care, getting it from your family may not be an option. They may have moved away in the meantime or gained responsibilities that make it impossible for them to properly care for you. Long-Term Care Insurance can provide the resources to pay for your care so that you do not become a financial and emotional burden to your family.

Reason #7:
Long-Term Care Insurance will allow you to receive the care you need in the setting you choose

Long-Term Care Insurance will allow you to pay for a caregiver to come to your home so you can maintain your independence as long as possible while receiving the care you need.

You can also use your Long-Term Care Insurance benefits to reside in an Assisted Care Facility that provides meals, interaction with others and activities, as well as the level of care you need.

Reason #8:
Long-Term Care Insurance can preserve your lifelong savings for the purposes you intended

Long-Term Care Insurance can help you to avoid having to use your lifetime savings for unintended purposes.

Having a Long-Term Care Insurance policy can assist in making sure your savings remain for the purposes you intended, such as your and your spouse's well-funded retirement or an inheritance for your kids and grandkids.

Reason #9:
Medicare does not pay for Long Term Care costs, and the state

(Medicaid) will only pay after you have used up all your available resources to pay for your care

Medicare pays only for acute care like hospital and physician charges. Medicare *specifically excludes* intermediate and custodial care, which are the most needed types of long term care. All Medicare payments for Long-Term Care are limited to a maximum of 100 days.

Medicaid requires individuals to deplete personal resources until becoming eligible for welfare programs. Even if one qualifies, care is usually restricted to a nursing home.

Reason #10:
There may be significant tax savings available for Long-Term Care Insurance premiums

If you pay for your Long-Term Care Insurance premiums yourself and are not self-employed, you can deduct the following amounts in 2017 based on your age and to the extent that your total itemized medical expenses – including Long-Term Care Insurance premiums – exceeds 10 percent of your Adjusted Gross Income.

Age 40 and younger \$410

Age 41-50, \$770

Age 51-60, \$1530

Age 61-70, \$4090*

Age 71 -older \$5110*

If you are self-employed or pay for your Long-Term Care Insurance premiums from your business, your premiums are tax deductible up to the thresholds listed above without meeting the 10 percent of AGI requirement.

*In 2017, the AGI threshold is 7.5 percent for anyone 65 or older.

To learn more about long-term care insurance with approved discounts for ASCPA members and their families please visit www.ascpaltci.com or call 1-888-915-3197.