

# Healthcare In Retirement

## *The Mandatory Expense of Aging*

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# Agenda

*Today, we will discuss Healthcare In Retirement; one of the few mandatory expenses of aging and how the implementation of the right solutions can make your retirement and financial planning more effective.*

# Background

In order to provide a backdrop for today's discussion, we need a historical perspective on Life Expectancy.....



1776 - Declaration of Independence:

Life Expectancy  $\approx$  **AGE 36**

# Background



1865 - Civil War Ends:  
Life Expectancy  $\approx$  **AGE 42**

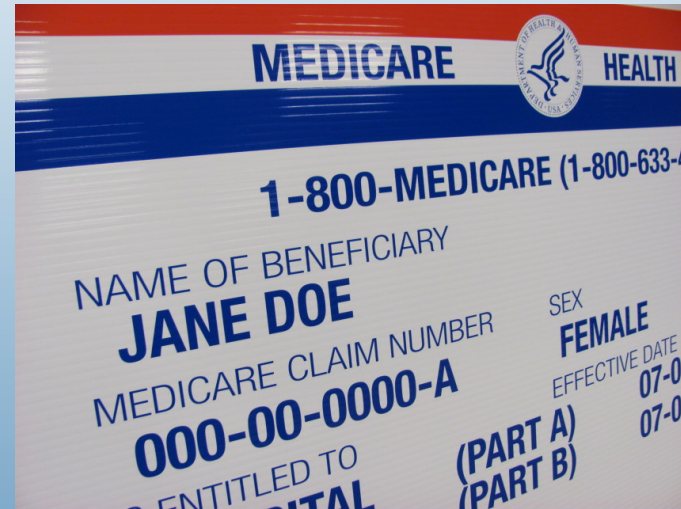


# Background



1935 – Social Security Act:  
Life Expectancy  $\approx$  **AGE 62**

# Background



1965 – Medicare Introduced  
Life Expectancy  $\approx$  **AGE 68**

# Background

2018 – Today

Life Expectancy  $\approx$  **AGE 80**





**When did Magic Johnson pass  
away?**





**Diagnosed HIV Positive:  
November 7, 1991**



**Fell off a horse in 1995; Passed away October 10,  
2004**

**Long-Term Care Need > 19 YEARS**

# Background

**With Life Expectancy  $\approx$  AGE 80 ?**

**Fact #1 – Illness & Disease that used to end life, doesn't!!**

**Fact #2 – When we age, we....Get Sick!**

**When we get sick, we....Need Care!**

**When we need care....It's Expensive!**

# Planning for Healthcare In Retirement

- 1) **EDUCATE** yourself!!
- 2) **UNDERSTAND** your planning options!!
- 3) **ASK & ANSWER** the right questions!!
- 4) **SELECT** appropriate options & strategies!!



# **Understanding Medicare**

# Medicare.gov

The Official U.S. Government Site for Medicare

Search

[Sign Up /  
Change Plans](#)

[Your Medicare  
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# MEDICARE & YOU

Your online connection to the "Medicare & You" handbook.

# Healthcare In Retirement 101: Medicare

*Medicare is a national insurance program administered by the U.S. government, providing health insurance to those age 65 or older (and other certain individuals).*

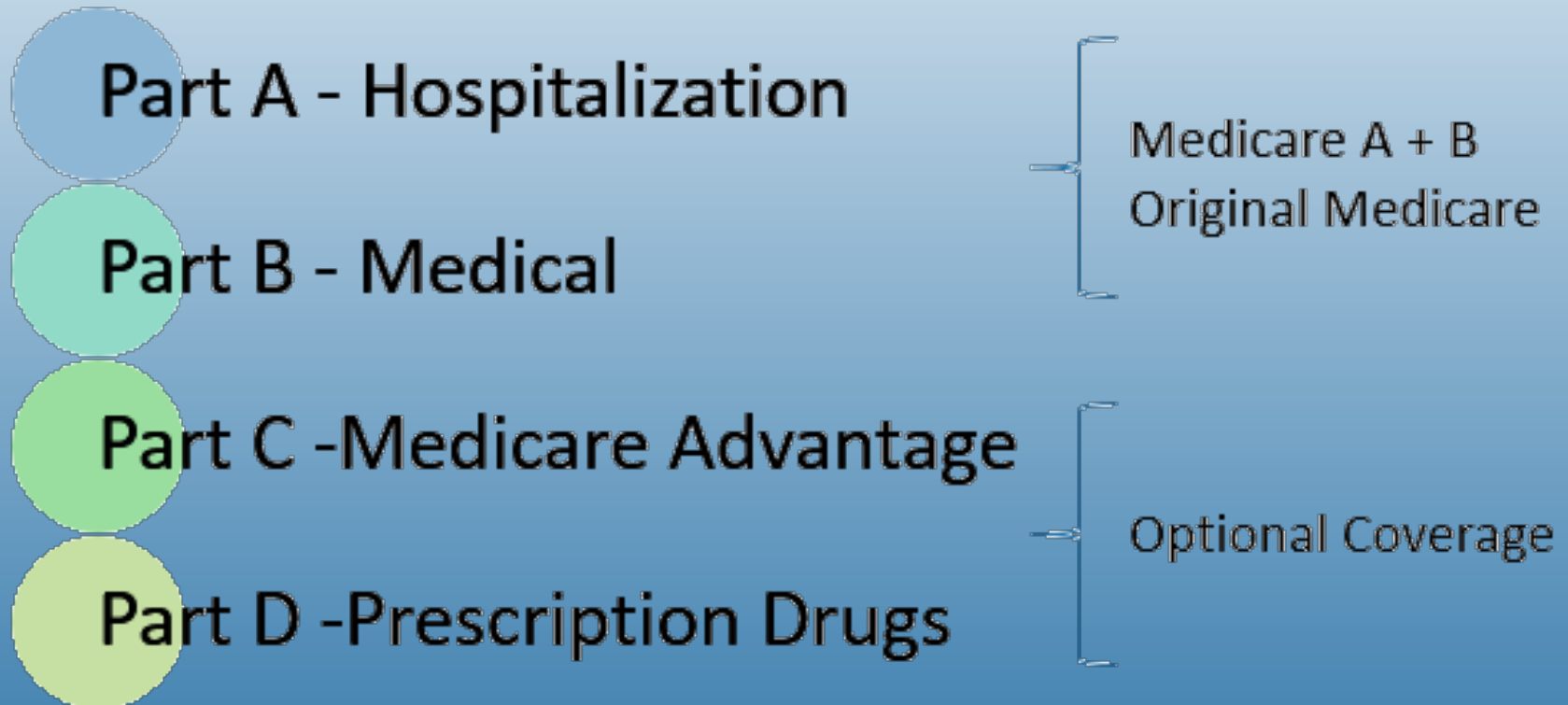
**CMS** = Centers for Medicare and Medicaid Services

Governing body over Medicare and sets the marketing rules and regulation for Medicare Part C (Medicare Advantage) and Medicare Part D plans (Prescription Drug)

**Social Security:** Works with CMS for data and offers some services through their department; such as Medicare enrollment and Part B premium information

# Healthcare In Retirement 101: Medicare

## *Four Parts of Medicare*





# Healthcare In Retirement 101: Medicare

## *Medicare Beneficiaries*

- Most Americans will be aging into Medicare (T65: Turning 65 years old) or will already have Medicare (older than 65).
- Three months out you (have) will receive your red, white, and blue Medicare card in the mail, which will enroll you into Medicare Part A and B.
- Under Age 65: Medicare may be available to those disabled for a period of at least 24 consecutive months; they can apply through Social Security.

# Healthcare In Retirement 101: Medicare

## *Medicare Coverage: PART A*

Covers four main areas:

- Inpatient Hospitalization
- Skilled Nursing (Following covered inpatient event)
- Home Healthcare (Following covered inpatient event)
- Hospice Care

# Healthcare In Retirement 101: Medicare

## Inpatient Hospitalization

- \$1,408 deductible covers for days 1-60
- Days 61 – 90 = \$352 per day
- Days 91-150 = \$704 per day (These are lifetime reserve days and can only be used once)

*The inpatient hospitalization deductible resets after 60 days of no utilization. This means if there is less than a 60-day break from one hospitalization to another, regardless of the reason for the hospitalization, the initial deductible will cover the subsequent occurrence. If there is a 60+ day break between hospitalizations, the beneficiary will owe the deductible again.*

# Healthcare In Retirement 101: Medicare

## Skilled Nursing Rehabilitation

May be provided after a qualifying event, before going home.

Days 0-20 = \$0 per day      Days 21 – 100 = \$176 per day

*Same as the inpatient hospitalization deductible*

*These costs reset after 60 days of no utilization*

*You must be “ADMITTED” for at least 3-Days to qualify for the this benefit.*

## Home Healthcare & Hospice

Both may be covered 100% by Medicare if ordered by a physician and medically necessary.



**As you can already  
see, medicare is  
NOT “Free”**

# Healthcare In Retirement 101: Medicare

## Part A Cost / Premium

**Medicare Part A:** Funded through FICA taxes (through employer payroll). For most, there is no monthly premium for Medicare Part A, provided they have worked 40 quarters (10 years) or can draw off benefits through someone who has (such as a spouse or parent).

Individuals may buy into Medicare Part A if they cannot draw benefits through another, and must contact a Social Security office for details.

# Healthcare In Retirement 101: Medicare

## *Medicare Coverage: PART B*

Covers four main areas:

- Doctor / Specialists Visits
- Outpatient Procedures
- Durable Medical Equipment (DME)
- Tests / Labs / X-rays

# Healthcare In Retirement 101: Medicare

## Part B Cost / Premium

**“Standard” Monthly Premium for 2020: \$144.60**

Higher income earners will pay higher premiums, depending on their Modified Adjusted Gross Income (MAGI) and these premiums and thresholds are provided on Medicare’s website/publications. *(The difference in premium is explained on the Medicare Cost publication)*

If you are drawing Social Security income, premium will automatically be deducted for Medicare Part B from your check / direct deposit. If you are not drawing Social Security, you will be billed quarterly.

**Medicare Part B annual deductible of \$198**

After the deductible is satisfied: Medicare Pays: 80% **You Pay: 20%**

# Healthcare In Retirement 101: Medicare

## Medicare does **NOT** cover certain things...

- Most dental care
- Eye exams related to prescribing glasses (in most cases)
- Dentures
- Cosmetic surgery
- Acupuncture
- Hearing aids and exams for fitment
- Routine foot care

or

• **Long-Term Care** *including Most Home Health, Assisted Living or Nursing Home care.*

# Healthcare In Retirement 101: Get Good Advice!!

## Why your current advisors won't or don't have these discussions.....

- They don't see it in their purview, not their job!
- They dislike discussions about morbidity/mortality...
- They believe YOU don't want to discuss or address the topic...
- It doesn't fit into their advice-only or fee-based business model...



## Why Professionals Avoid This Discussion

*Most don't have access to the tools,  
strategies & solutions to help you  
navigate the planning process!!*





# **Understand Your Planning Options**

## Healthcare In Retirement: *Basic Planning Options*

### Planning options to consider....

- 1) Appropriate supplement plan (Medigap) for what is not covered by Medicare.
- 2) A Long-Term Care plan to cover the potentially significant expenses excluded by Medicare or a supplement.

# Healthcare In Retirement: *Medigap Plans*

Medigap policies are standardized

<u>Medigap Benefits</u>	Medigap Plans									
	A	B	C	D	F*	G	K	L	M	N
Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Part B coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes***
Blood (first 3 pints)	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A hospice care coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Skilled nursing facility care coinsurance			Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A deductible		Yes	Yes	Yes	Yes	Yes	50%	75%	50%	Yes
Part B deductible			Yes		Yes					
Part B excess charge					Yes	Yes				
Foreign travel exchange (up to plan limits)			80%	80%	80%	80%			80%	80%

calendar year deductible \$198

Out-of-pocket limit  
\$5,560 \$2,780

# Healthcare In Retirement: *Long-Term Care*

Advice from the Social Security Administration.....

## **Some Facts About Social Security**

### **About Social Security and Medicare...**

Social Security pays retirement, disability, family and survivors benefits. Medicare, a separate program run by the Centers for Medicare & Medicaid Services, helps pay for inpatient hospital care, nursing care, doctors' fees, drugs, and other medical services and supplies to people age 65 and older, as well as to people who have been receiving Social Security disability benefits for two years or more.

Medicare does not pay for long-term care, so you may want to consider options for private insurance.

# **Long-Term Care Planning Today...**

# Benefits of Long-Term Care Planning...

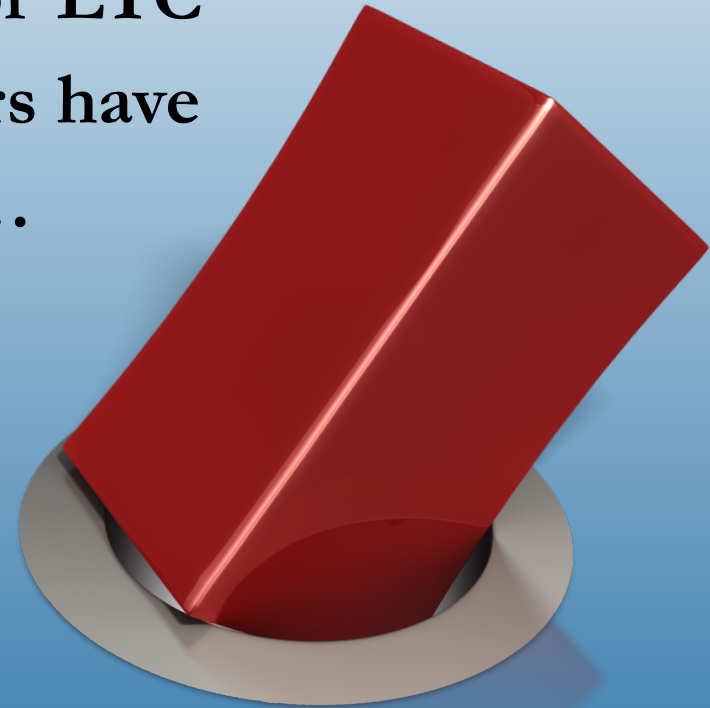
- Eliminate potential burden on loved ones...
- Address a topic your advisors have likely ignored...
- Recognize your **TRUE** allocation of assets for healthcare...
- Maintain your independence & choice of healthcare decisions...
- *Create TAX-ADVANTAGED or TAX-FREE dollars for future Long-Term Care expenses!!*



# Healthcare In Retirement:

## *The Evolution of Long-Term Care Planning*

- Understand the disadvantages of LTC Insurance and why many carriers have stopped selling LTC insurance...
- The growing popularity of consumer oriented solutions...





# Options for Long-Term Care Planning

The chart below describes the components of today's Long-Term Care planning solutions; each offers unique features and benefits to allow a Long-Term Care plan to become an integral part of a comprehensive financial plan. There are many factors to consider when determining how to design a Long-Term Care plan; including cost certainty, plan funding, residual value, underwriting and taxation.

	TRADITIONAL LTC INSURANCE	LIFE/LTC HYBRID	LIFE INSURANCE WITH LTC RIDER	ANNUITY/LTC HYBRID	ANNUITIES WITH INCOME RIDERS
<b>Cost Certainty</b>	<b>NO</b>  LTC Insurance is essentially a form of health insurance, so plan costs can, and likely will, rise in the future.	<b>YES</b>  All current & future premium amounts are fully guaranteed.	<b>YES</b>  All current & future premium amounts are fully guaranteed.	<b>YES</b>  All current & future premium amounts are fully guaranteed.	<b>YES</b>  All current & future premium amounts are fully guaranteed.
<b>Basic Plan Platform</b>	Traditional LTC Insurance provides "use it, or lose it" types of benefits, much like home owners insurance.	Life insurance provides a guaranteed death benefit, with LTC benefits based on that death benefit.	Life insurance provides a death benefit, and the LTC "rider" provides access to that death benefit for LTC benefits	An annuity provides LTC benefits; based on a "multiplier" of the accumulated cash value and/or policy riders of the annuity.	The purchase of annuity provides a LTC benefit; which is based on the income guarantees of the annuity.
<b>Residual Value If LTC Benefits Are Not Used</b>	There is generally no residual value, unless a very costly "return of premium" rider is purchased.	The death benefit is passed onto heirs tax-free, as would be the case with traditional life insurance.	The death benefit is passed onto heirs tax-free, as would be the case with traditional life insurance.	The Annuity's death benefit is passed onto heirs, however Qualified accounts may be subject to other rules regarding transfer or taxation.	
<b>Plan Funding</b>	Premium payments are ongoing, usually for life, unless a shortened payment period is available for the plan.	This plan offers flexible funding from monthly to lump sum; even using cash values or the exchange of an existing life insurance or annuity contract. Qualified funds can also be used.	This plan offers flexible funding from monthly to lump sum; even using cash values or the exchange of an existing life insurance or annuity contract.	Plan may be funded with a lump sum of cash, qualified funds or an exchange of an existing annuity or life insurance contract.	
<b>Underwriting</b>	LTC Insurance is underwritten for "morbidity" and, with relatively few providers in the marketplace, preferred ratings are becoming difficult to obtain.	Simplified underwriting is usually available, including an application with medical questions and a phone interview for cognitive testing. Medical records may be requested, if needed.	Normal life insurance underwriting requirements would apply. However, life insurance underwriting tends to be more liberal than underwriting for Traditional LTC insurance.	Simplified underwriting is usually available, including an application with medical questions and a phone interview for cognitive testing. Medical records may be requested, if needed.	Generally, little if any underwriting is required, however activation of income riders may be delayed for a specified period of time.
<b>Features &amp; Benefits</b>	<b>Flexible Plan Design</b>  Allows for customization, with plan premiums based on the benefit level & options selected.	<b>Flexible Plan Design</b>  Allows for customization, with plan premiums based on the benefit level & options selected.	<b>Basic Plan Design</b>  Allows for little customization as LTC benefits are based simply on the death benefit.	<b>Flexible Plan Design</b>  Allows some customization, with plan benefits based on the initial premium & selected options.	<b>Basic Plan Design</b>  Allows for little customization, as LTC benefits are based simply on the initial deposit & annuity value.
<b>Benefit Taxation</b>	Benefits are intended to be income TAX-FREE under current tax law, up to federal limits, and will be reimbursed up to the maximum policy benefit for all levels of care of the contract				Generally, benefits will be taxable in the year taken.

# Healthcare In Retirement 101:

*LTC Planning is a process, NOT a product!!*



*Next Step: Identify  
appropriate planning  
solution(s) for you, your  
family and your financial  
planning needs.*

## What Long-Term Care Planning means today...

- **DEFINE THE RISK:** Examine the stats for LTC needs
- **UNDERSTAND** How & Where LTC services are provided and how LTC benefits are triggered.
- **EVALUATE** potential solutions for LTC Planning

# Statistics – Define The Risk

Here are some of your potential risks after reaching Age 65  
(Based on Life Expectancy)

EVENTS WHICH MIGHT OCCUR	LIFETIME POSSIBILITY FROM AGE 65 ON	
	FOR MEN	FOR WOMEN
<b>MAJOR HOUSE FIRE</b> <small>FACT: There are 395,000 major house fires annually</small>	<b>2%</b>	<b>2.5%</b>
<b>SEVERE CAR ACCIDENT</b> <small>FACT: Annually 2.9 millions auto accidents result in death or injury</small>	<b>15%</b>	<b>18%</b>
<b>BECOME ADL LIMITED OR COGNITIVELY IMPAIRED</b>	<b>58%</b>	<b>79%</b>

# Understanding How & Where Care Is Provided

## Home Health Care

- Care received in the home
- Additional care usually provided by family/friends
- **Personal Care or Skilled Care**  
(May be provided by professionals which might include; Home Health Aides, Homemakers, Chore Aides, Therapists, Nurses and Personal Care Attendants.)

## Community Care

- Supports the ability to stay at home
- Adult Day Care
- Temporary overnight care may be provided at times to provide relief for family that may be a caregiver

## Assisted Care Facility

- Community or Apartment-Style Environment
- Round the clock personal and custodial care is available for those in need
- Good example of the most preferred future solution for Long-Term Care

## Nursing Home Care

- Round the clock custodial care nursing services
- An institutional or hospital-like setting
- Skilled Nursing and Therapy provided

How will you access your LTC Plan?

# Activities of Daily Living

Bathing  
Transferring  
Dressing  
Continence  
Feeding  
Toileting

or

A Cognitive  
Impairment  
(Alzheimer's, Dementia, Etc.)

# Statistics – Define The Need

The United States is experiencing a significant demographic shift, where a “retirement boom” will continue for the next 20 years. The data below should help you better understand why your comprehensive planning should address LTC needs.

## PROJECTED NEED FOR LONG-TERM CARE FOR PEOPLE TURNING 65

	Average Life Expectancy After Age 65	Average Years of LTC Needed	% Who Will Need LTC	% Who Will <u>NOT</u> Need LTC	Distribution By Years of LTC Need			
					> 1 Year	1 – 2 Years	2 – 5 Years	5+ Years
<b>All</b>	<b>18 Years</b>	<b>3.0</b>	<b>69%</b>	<b>31%</b>	<b>17%</b>	<b>12%</b>	<b>20%</b>	<b>20%</b>
Men	16 Years	2.2	58%	42%	19%	10%	17%	11%
Women	20 Years	3.7	79%	21%	16%	13%	22%	28%

## LIFETIME USE OF LONG-TERM CARE FOR PEOPLE TURNING 65

		Average Years of LTC Needed	% Who Will Need LTC	% Who Will <u>NOT</u> Need LTC	Distribution By Years of LTC Need			
					> 1 Year	1 – 2 Years	2 – 5 Years	5+ Years
<b>Any LTC Need</b>		<b>3.0</b>	<b>69%</b>	<b>31%</b>	<b>17%</b>	<b>12%</b>	<b>20%</b>	<b>20%</b>
At Home	Informal	1.4	59%	41%	22%	13%	17%	6%
	Formal	.5	42%	58%	27%	8%	5%	1%
	Any Care	1.9	65%	35%	21%	14%	19%	11%
In A Facility	Nursing	.8	35%	65%	17%	5%	8%	5%
	Assisted Living	.3	13%	87%	6%	3%	4%	1%
	Any Care	1.1	37%	63%	15%	5%	9%	8%



# Too General? Personalize your analysis....



## How It Works



### Talk about health.

Wealth is important, but 98% agree health is their most important asset.<sup>1</sup>



### Include the whole family.

Responsibility for aging parents is the number one concern for Millennials and Gen Xers.<sup>2</sup>



### Make a plan, together.

When families have a say in the plan, they trust it. And they'll trust you, too.



Take the HALO Assessment



Genivity HALO Care Cost Planner

# See the future, so we can plan for it.

Health and care costs projections are critical to a healthy financial plan.  
Let's get them right, together.

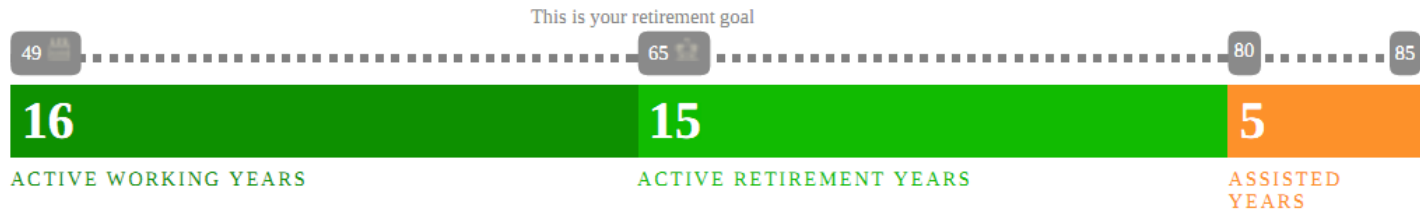
[Take the Assessment](#)

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# Results – Define The Need

## Lifespan Timeline



## 2) Assisted Years / Elder Care = 5

Expected years of disability, like overall life expectancy, are influenced by both your family health history and lifestyle factors. The number of assisted years includes the number of years to plan on needing additional assistance with daily living for quality of life.

Plans should be made to cover the costs of this care based on the level and type of care that you would prefer. This table is customized based on your desired retirement state and care provider options:

*Did you know that the median cost of 5 years of elder care in Florida ranges between \$388,830 and \$2,409,859 depending on level and type of care?*

Type of Care	Today's Cost (Annually)	Cost when needed (annually with 5% inflation)
Homemaker Aide	\$45,646	\$202,262
Homemaker Health Aide	\$46,904	\$207,837
Adult Day Health Care	\$17,550	\$77,766
Assisted Living- Private Room	\$42,000	\$186,107
Nursing Home - Semi-private room	\$97,820	\$433,451
Nursing Home - Private Room	\$108,770	\$481,972

# Brief Overview of Medicaid

- State administered federal program
- Limited eligibility based on a person's income
- May be subject to Estate Recovery or Filial  
liability laws

# **Ask & Answer The Right Questions**

## Answer the right questions...

A large, bold, red '100%' graphic with a white outline and a drop shadow, set against a blue background with faint, overlapping text. The text in the background includes 'Why', 'of', 'r', 's', 'a', 'or', 'he', 're', 'x', 'n', 's not', and 'by medicine'.

Answering the right questions...

***If you needed care today,  
which of your assets  
would you have to tap  
first to pay for  
that care?***



# Answer The Right Questions...



There Are Only Five  
Possible Answers....

## **NON-QUALIFIED ACCOUNTS**

*Cash, MM, Savings, CDs, Investments, Mutual Funds, Stocks, Bonds, Etc.*

## **QUALIFIED ACCOUNTS**

*IRA, SEP, 401(k), Profit Sharing, 403(b), 457, Etc.*

## **LIFE INSURANCE CASH VALUES**

## **ANNUITY CASH VALUES**

## **HOME EQUITY**

*(or a Reverse Mortgage)*

## Determine Appropriate Planning Options...

- Do you understand how and why Medicare/Medicaid fits your personal planning scenario?
- Have you completed a Halo Assessment to help you define your future need for care?
- Have you identify the assets you have figuratively or literally earmarked to “*Pay for Care*”?
- Have you considered ways to leverage your assets to create a Tax-Advantaged plan with little/no out-of-pocket cost?

# **Case Studies & LTC Planning Scenarios**

# #1 – Sally Saver

- Female age 65, widowed & healthy
- Would “*pay for care*” with over \$200,000 in bank accounts & CDs
- Risk averse, receives pension and Social Security income
- Concerned about becoming a burden on her children.
- Wants to pass on as a legacy to her 4 grandchildren



**Potential Option:**  
**Asset-Based Life/LTC Plan**

		CDs & Bank Accounts	Life/LTC Hybrid
Plan Funding		\$100,000	\$100,000
Basic Plan Design		Cash in accounts would pay for care as needed.	Life insurance provides a guaranteed death benefit, with LTC benefits based on that death benefit.
Total Available LTC Benefits	Year 1	\$100,000	\$391,699
	Year 10	?	
	Year 20	?	
Monthly LTC Benefit		?	\$5,440
Benefit Period		?	72 Months
Elimination Period		0 Days	90 Days
Inflation Protection		Not Available	Optional
Cash Value of the LTC Plan	Year 10	?	\$100,000
	Year 20	?	\$100,000
	Year 30	?	\$113,197
Value of The Plan if LTC is Never Needed		<p>?</p> <p>Whatever the Accumulated Value of the accounts would pass on to heirs.</p>	<p>\$130,566</p> <p>The <u>TAX-FREE</u> death benefit would be passed onto heirs</p>
Tax Advantaged Plan Benefits		N / A	Withdrawals for Long-Term Care expenses will be <u>TAX-FREE</u> .

## #2 – Nick & Nancy Newlywed

- Nick & Nancy, both age 60
- Recently married (2<sup>nd</sup> marriages)
- Both have plan to retire at 65
- Would “*pay for care*” with over \$150,000 cash value in old annuity. (\$100,000 Basis)
- Concerned about becoming a burden on one another.



### Potential Solution:

# Annuity/LTC Plan

(Pension Protection Act Compliant)

		Annuity Cash Value	Annuity/LTC Hybrid
Plan Funding		\$150,000	\$150,000
Basic Plan Design		Cash in accounts would be used to pay for care.	Annuity provides LTC benefit based on a “multiplier” of the accumulated Cash Value.
Total Available LTC Benefits	Year 10	\$137,500	\$456,967
	Year 20	?	\$524,726 *
	Year 30	?	\$713,466 *
Initial LTC Benefit		?	\$5,077
Benefit Period		?	90 Months
Elimination Period		0 Days	0 / 90 Days
Inflation Protection		Not Available	Optional
Cash Value of the LTC Plan	Year 10	T B D	\$174,909 *
	Year 20	T B D	\$203,954 *
	Year 30	T B D	\$237,822 *
Value of the Plan if LTC is Never Required		T B D The death benefit is passed onto heirs in a manner similar to any other typical annuity.	T B D The death benefit is passed onto heirs in a manner similar to any other typical annuity.
Tax Advantaged Plan Benefits		<b>NONE</b> <i>Withdrawals will be fully taxable under current (LIFO) tax rules until all of the gains are used and the original “cost basis” is reached.</i>	<b>Withdrawals for Long-Term Care expenses will be <u>TAX-FREE</u>.</b>

\* Assumes current interest rate is maintained

## #3 – Sam Saver

- Sam, age 55, is recently divorced grandparent
- He plans to retire at 65 and would “*pay for care*” with over \$100,000 cash value in a Variable Life Insurance policy purchased more than 25 years ago.
- It has a death benefit of \$250,000, a \$2,500 annual premium, \$50,000 in cost basis.
- Concerned about becoming a burden on three children.
- Death benefit for children is now a secondary concern to LTC.



Potential Solution:

**LIFE/LTC Plan Upgrade**



		Life Insurance Cash Values	Life/LTC Hybrid
Plan Funding		Maintain Policy with <i>\$2,500 Annual Premium</i>	\$100,000 Tax-Free Exchange & <i>\$0 Annual Premium</i>
Basic Plan Design		Life Insurance cash value would pay for care as needed.	LTC benefit based on the guaranteed life insurance death benefit.
Total Available LTC Benefits	Year 1	\$100,000	\$289,276 @ \$5,762 / month
	Year 10	?	\$377,439 @ \$7,518/ month
	Year 20	?	\$507,247 @ \$10,104 / month
	Year 30	?	\$681,698 @ \$13,579/ month
	Year 40	?	\$916,415 @ \$18,249/ month
Benefit Period		?	48 Months
Elimination Period		0 Days	90 Days
Inflation Protection		Not Available	3% Compound
Cash Value of the Plan	Year 10	?	\$100,000
	Year 20	?	\$100,000
	Year 30	?	\$108,279
Value of the Plan if LTC is Never Required		\$250,000  The death benefit is passed onto heirs tax-free, as would be the case with traditional life insurance.	\$353,914  The death benefit is passed onto heirs tax-free, as would be the case with traditional life insurance.
Tax Advantaged Plan Benefits		Certain withdrawals may be taken on a tax preferential basis, however a significant <u>taxable</u> event would occur should the policy lapse.	Provides an increasing, guaranteed pool of TAX-FREE LTC benefits, maintains a TAX-FREE death benefit & <u>eliminates</u> the annual premium.

## #4 – Carol & Charles Cash

- Couple, healthy and age 70
- Concerned about becoming a burden on children
- Both receive pension and Social Security which meets income needs
- Would “*pay for care*” with untapped \$750,000 in IRA
- Couple unaware of **Required Minimum Distributions**



## Potential Solution: IRA Funded Life/LTC Plan

		ira accounts	ira funded life/ltc hybrid
Plan Funding		\$250,000	\$250,000
Basic Plan Platform		Retirement account to pay for care.	20-Year distributions from the IRA accounts + plus an annual rider premium would fund the plan, providing a guaranteed death benefit and LTC benefits.
Total Available LTC Benefits		\$187,500 (Net, assuming 25% Tax Bracket)	\$751,991
Monthly LTC Benefit		?	\$6,526
Benefit Period		?	100 Months or Lifetime
Elimination Period		0 Days	30 / 60 Days
Inflation Protection		Not Available	Optional
Cash Value of the LTC Plan	Year 10	?	\$268,539
	Year 20	?	\$267,756
	Year 30	?	\$292,674
Value of the Plan if LTC is Never Required		?	\$326,277  Life insurance death benefit is passed onto heirs tax-free, as would be the case with traditional life insurance. Normal taxation rules would apply to any IRA balance.
Tax Advantaged Plan Benefits		NONE	Converts IRA dollars into TAX-FREE LTC benefits and/or a TAX-FREE death benefit. Plan funding counts towards RMDs.

# Q & A Session

We look forward to meeting with you to complete a review of specific scenarios for you & your family...

**THANK YOU!!**