

With both linked benefit plans and stand-alone plans, you choose how much money you want in your bucket and how much you want paid to you daily or monthly when care is needed.

Asset-based/hybrid plans/Linked Benefit plans

These plans are a great fit for someone who believes or who has been told that they have enough money to self-insure. Having a plan in place allows us to give ourselves permission to receive the care we need when we need it and having a designated tax-free stream of income to pay for that care without disrupting the rest of our financial plans.

Design a bucket of money to use when care is needed or if it is not

Offer both a death benefit and a long term care benefit. If long term care is needed, there is a tax-free stream of income to help pay for that care. If care is not needed, there is a return of premium that comes in the form of a tax-free death benefit.

Premiums are guaranteed never to increase.

Funding can be lifetime premiums, shortened payment periods (5-20 years), or a single lump sum premium.

Some of the premium may be tax deductible. Ask your accountant

Stand-alone/Traditional LTC plans

These plans work well for someone who has accumulated assets but using \$100,000 per year for multiple years would deplete their financial resources.

Design a bucket of money to spend when care is needed



Diane Stoddart, CLTC

813-363-6441

Diane@Preparing4tomorrow.com

Long Term Care Partnership Qualified plans that can protect assets from Medicaid spenddown

More LTC benefit for each premium dollar because covers one risk (LTC) rather than two

Most plans use lifetime premiums until a claim is opened, but some offer shortened payment periods or single lump sum premiums in some states

Could be subject to rate increases, but less likely than plans from even a decade ago as carriers have reevaluated the risks, using now 50 years of data to determine pricing

Premiums may be tax-deductible, depending on how your taxes are filed. Ask your accountant.

Life insurance with Accelerated Death Benefit (ADB)

When health won't allow for LTC insurance, sometimes a life insurance policy can be used to cover chronic care needs (LTC needs). This is not long term care insurance but simply a way to use the death benefit before death. Unlike the linked benefit plans, there is no extended care benefit once the death benefit is exhausted. Often with life insurance, the medical condition needs to be permanent in order for the acceleration of benefits to be approved. This is not tax-deductible.

Life insurance to pay death benefit at death

Riders to pay for terminal illness, critical illness or chronic illness (LTC)

If terminally ill, can withdraw a lump sum from the death benefit, usually determined by level of illness, and decided by life insurance carrier at time of need

If critical illness occurs (heart attack, cancer, stroke, organ transplant, etc.), can withdraw a lump sum determined by type of illness, and decided by life insurance carrier at time of need



Diane Stoddart, CLTC

813-363-6441

Diane@Preparing4tomorrow.com

If chronically ill (need help with severe cognitive impairment or help with 2 of 6 Activities of Daily Living (ADLs)), can withdraw monthly benefit from the death benefit, amount usually determined by level of need, and decided by life insurance carrier at time of need

Life insurance with riders often only underwrite for death. The riders simply allow you to use the death benefit early and don't add any additional LTC benefit beyond that. Premiums are not tax-deductible.

To learn more, register for one of our free classes, held monthly or listen to our weekly podcast, **Preparing For Tomorrow**, by clicking on the link in the website.

You can call Diane at 813-363-6441 to ask questions as well. Or you can chat with her by clicking on the chat link in the website.

Feel free to ask questions by clicking on the Question of the Week link in the website. If we use your question in a podcast, we will be happy to send you a small gift.

It's your questions that help us to understand what concerns people and how we can be the best resource for you in your search for answers.



Diane Stoddart, CLTC

813-363-6441

Diane@Preparing4tomorrow.com