Brave Conversations on Personal Retirement

Long-Term Care Costs and Insurance

Long-Term Care Risk: Need for care and costs may vary widely.

Why Should You Care?

The need for long-term care is unpredictable. Care can add up quickly, even when someone in the household is able to provide care. Your care could become a burden on your family.

Plan for it — in order to mitigate a catastrophic financial outcome.

What’s the Good News?

• Long-term care costs and risks can be managed with planning.
• Long-term care service costs typically occur later in retirement. Therefore, you may have more time to plan and save for this risk.
• Longevity insurance, which typically begins paying out between ages 80 and 85, may be used to cover long-term care costs and to supplement your long-term care policy.

Women tend to live longer than men and need care longer than men.

Two-thirds of today’s 65-year-old women may need long-term care support during their lifetime, and 20% may need it for longer than five years.

Take Action!
Cover catastrophes
Evaluate disability, longevity and long-term care insurance policies to meet your possible household long-term care needs and thereby increase the probability that your wealth will last a lifetime.

Cost-effective protection
Long-term care policies are available with a variety of coverage levels and options. Look for a policy that strikes a balance between what you can afford and what you need.

Lessen the impact
After your children's education expenses have been funded, redirect those payments to long-term care premiums.

Medicare only pays for long-term care if you require skilled services or rehabilitative care in a nursing home — for a maximum of 100 days. However, the average Medicare covered stay is much shorter (22 days).

U.S. Department of Health & Human Services, LongTermCare.gov, “Who Pays for Long-Term Care?”

Because many investors will spend around 30 years in retirement, now is the time for you and your financial professional to plan for your future. This will be the time when pressures and responsibilities that once filled your days will diminish and you’ll have more time to focus on you.

This information is general in nature and not intended to constitute tax or estate-planning advice. Please consult your tax or estate-planning advisor for more detailed information on these issues and advice on your specific situation.