

Protecting Assets From Long-Term Care Expenses

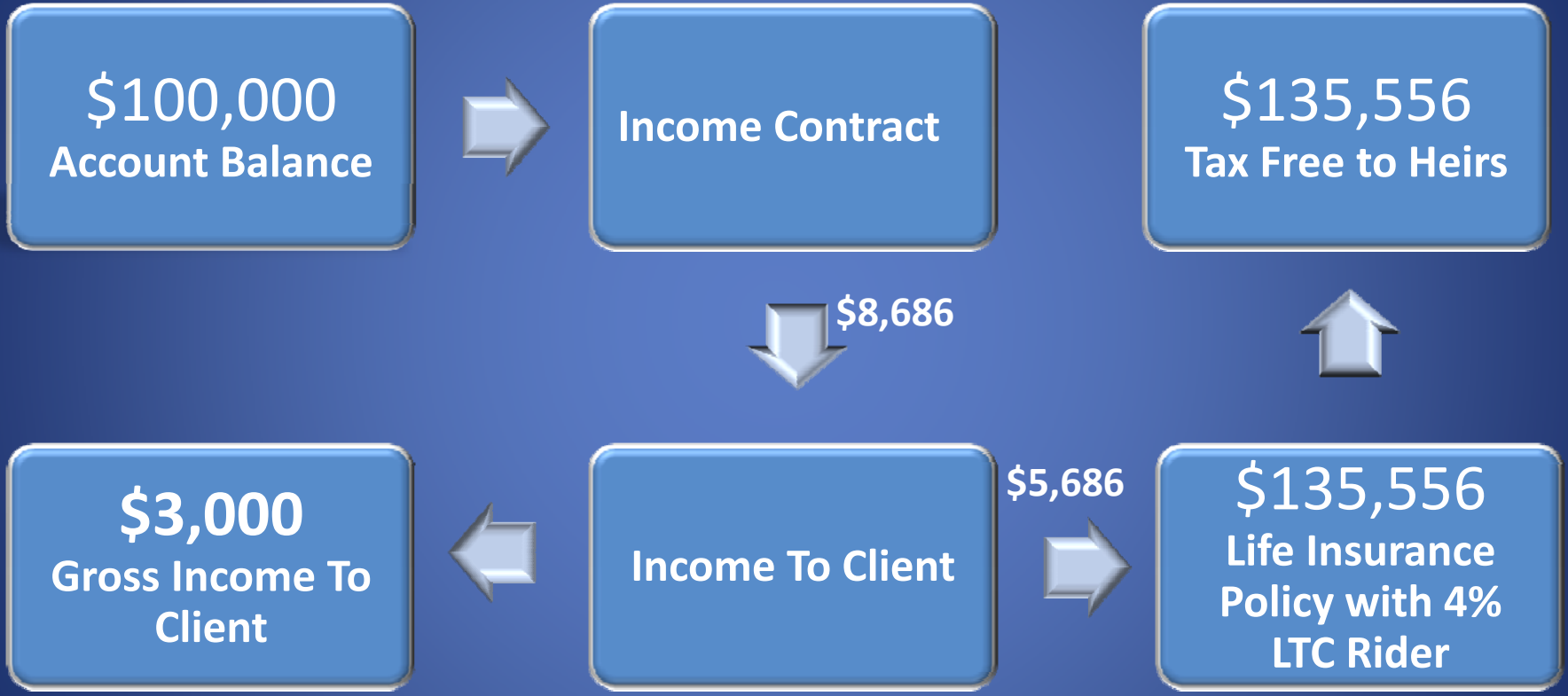
Assumptions: 70 Year Old Male

Income Tax Rate: 25%
CD Interest Rate: 3%

Assumed Account Balance Not Needed for Income	\$100,000
Assumed Gross Income From Account Balance	\$3,000
Tax Due	\$750
Spendable Income	\$2,250

Client Goals

- **Protect Assets From LTC Expenses**
- **Minimize Effect of LTC Premiums on Assets**
- **Not Waste Money on LTC Premiums if Never Needed**



\$100,000
Account Balance



Income Contract

\$135,556
Tax Free to Heirs



\$8,686



\$3,000
Gross Income To
Client



Income To Client

\$5,686



\$135,556
Life Insurance
Policy with 4%
LTC Rider

\$135,556
Tax Free to Heirs

The Results

	BEFORE	AFTER
Gross Income	\$3,000	\$3,000
Net Income After Taxes	\$750	\$651
Long-Term Care Coverage	\$0	\$5,422/mo x 25 mos
Insurance Premium	\$0	\$5,686
Spendable Income	\$2,250	\$2,349
Tax Advantage to Heirs?	\$0	YES
Size of Inheritance	\$100,000	\$135,556*

Assumptions: 70 Year Old Male, Income Tax Rate: 25%

IRD Tax Ratio: 70%,

***Inheritance if not used for LTC**