



| Tax Advantages for Long Term Care Insurance Premiums |

Your client may enjoy one of the tax advantage options listed below when paying for long term care insurance (LTCi) premiums. Under any option, the amount of LTCi premium that can be deducted or reimbursed is limited by the amounts shown in the table below.

Attained Age Before Close of 2015	Maximum Deduction Per Individual	Maximum Deduction Per Couple
40 or less	\$380	\$760
More than 40 but not more than 50	\$710	\$1,420
More than 50 but not more than 60	\$1,430	\$2,860
More than 60 but not more than 70	\$3,800	\$7,600
More than 70	\$4,750	\$9,500

Note: The 2015 per diem limitation is \$330.

Source: IRS Revenue Procedure 2014-61 (2015 limits)

OPTION 1: Individuals who itemize income tax deductions on federal returns

Individuals may deduct their medical expenses, including LTCi premiums, to the extent that the total exceeds a percentage of their Adjusted Gross Income (AGI) – see chart below.

Age	% of AGI that Medical Expenses Must Exceed
64 and under	10%
65 and over	7.5%

OPTION 2: Self employed individuals

Self employed individuals can deduct tax-qualified LTCi premiums as a trade or business expense similar to traditional health and accident insurance premiums. A tax deduction is allowed for the self employed individual, for his or her spouse and other tax dependents. The annual deductible maximum for each covered individual is subject to the IRS age-based limits found in the chart above.

OPTION 3: Health Savings Account (HSA)

Clients with Health Savings Accounts (HSA) may reimburse themselves with funds from the HSA for LifeSecure LTCi premiums paid. They would simply write themselves a check (or checks) from the HSA for the dollar amount they wish to be reimbursed (see table above for maximum amounts). This is a great way to use pre-tax dollars to pay for coverage.

Please note:

- In some states, LTCi premiums may be directly deductible for state income tax purposes.
- Tax advantages are also available for certain business owners (i.e., partnerships; more than 2% shareholders of S-corporations; and C-corporations).

LifeSecure and its agents do not offer tax or legal advice. You should encourage your client(s) to consult with an independent tax or legal advisor to confirm the tax status of long term care premiums.

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