



# Long-Term Care Insurance

## Tax Advantages for Business Owners

Depending on the tax-structure of your business, there may be significant tax savings when you use business dollars to purchase long-term care insurance.

### • Premiums may be tax-deductible

Under current tax laws, you may be able to deduct either the **actual premium** or **eligible premium** paid on a tax-qualified long-term care insurance policy.

- **Actual premium** is the actual amount paid for a long-term care insurance policy
- **Eligible premium** is an amount determined annually by the federal government

### • Policy benefits may be tax-free

Benefits paid by a tax-qualified long-term care insurance policy are intended to be tax-free as long as they do not exceed the greater of qualified long-term care daily expenses or the per-day limitation, which is

\$370 in 2019. Source: Section 7702B of the Internal Revenue Code (IRC)

The Tax Advantages of Long-Term Care Insurance		
For Your Business	Self-Employed Business Owners (Sole Proprietor, Partnership, LLC, S Corporation)	Owners of C Corporations
	<p><b>Eligible premium</b> may be tax deductible when the business purchases long-term care insurance policies for:</p> <ul style="list-style-type: none"> <li>• Owner</li> <li>• Spouse</li> <li>• Dependents</li> </ul> <p><b>Actual premium</b> may be tax deductible when the business purchases long-term care insurance for:</p> <ul style="list-style-type: none"> <li>• Employees</li> </ul>	<p><b>Actual premium</b> may be tax deductible when the business purchases long-term care insurance policies for:</p> <ul style="list-style-type: none"> <li>• Owner/Employee</li> <li>• Spouse</li> <li>• Dependents</li> <li>• Employees</li> </ul>

Eligible Premium Guidelines for 2019	
At age:	You can deduct:
40 and younger	\$420
41-50	\$790
51-60	\$1,580
61-70	\$4,220
71 and older	\$5,270

Source: IRS Revenue Procedure 2018-57

Eligible premiums are established annually based on the medical care components of the Consumer Price Index.

The information provided is not intended to be tax advice. Consult your tax advisor to determine the tax benefits for your business.

**NOTE:** Certain employers are governed by the Employee Retirement Income Security Act of 1974 (ERISA) when “sponsoring” a long-term care program (i.e., paying a portion of the premium, endorsing or promoting solicitation of the coverage during work hours, etc.). Whether ERISA applies to your employee benefit program depends on your unique situation. Therefore, Mutual of Omaha will not determine whether your business must comply with ERISA. Please consult a tax advisor or other qualified professional.

In addition to ERISA, many state regulations also have limitations which would require compliance for employers with as few as five employees. Federal and state laws should be evaluated to determine limitations for employer groups. Again, a tax advisor should be consulted. Our Long-Term Care insurance policy premium rates are gender-based. Therefore it is not designed to be compliant with ERISA or Title VII or similar state laws and generally is not appropriate for an employer sponsored plan. Please consult a legal or tax advisor or other qualified professional for more information.

Long-term care insurance is underwritten by Mutual of Omaha Insurance Company, 3300 Mutual of Omaha Plaza, Omaha, NE 68175, 1-800-775-6000. Policy form: ICC13-LTC13. This policy has exclusions, limitations and reductions and terms under which the policy may be continued in force or discontinued. Benefits may be provided by a combination of the policy and riders and are subject to underwriting. Premiums will vary depending on the benefits selected. Premium rates may increase. A medical exam may be required for coverage. For costs and complete details of coverage, call your agent/producer or write to the company.

**This is a solicitation of insurance. You may be contacted by telephone by an insurance agent/producer.**

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