



Long-Term Care Insurance

Tax Advantages for Individuals

Purchasing a tax-qualified long-term care insurance policy may offer tax advantages.

Long-term care insurance premiums may be tax deductible

Under current tax laws, you may be able to deduct a portion of the premium you pay for a tax-qualified long-term care insurance policy. Each year, the federal government sets limits for **eligible premium** – the amount that may be deducted.

The **eligible premium** amount may be claimed as a medical expense as long as your combined medical expenses exceed 7.5 percent of your adjusted gross income and you itemize deductions on your federal income-tax return.

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.



Long-term care insurance policy benefits are intended to be tax-free

The benefits you receive from a tax-qualified long-term care insurance policy are intended to be tax free as long as they do not exceed the greater of your 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)

Out-of-pocket long-term care expenses also may be tax deductible

If you pay long-term care expenses out of your own pocket (i.e., home care services, nursing home care, etc.), you generally may claim these expenses as a medical deduction on your income tax return. The only exception is payment for home care provided by a family member. These expenses are not deductible unless the family member is a licensed health-care professional.

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

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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