



# Consumer Tax Guide

## Long-Term Care insurance

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

### Long-Term Care insurance premiums may be 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 10 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 under .....	\$420
41-50 .....	\$790
51-60 .....	\$1,590
61-70 .....	\$4,220
71 and up .....	\$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 can 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.*



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