



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 2012	
At age:	You can deduct:
40 and younger	\$350
41-50	\$660
51-60	\$1,310
61-70	\$3,500
71 and older	\$4,370

Source: IRS Revenue Procedure 2011-52

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 \$310 in 2012.

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 underwritten by: Mutual of Omaha Insurance Company, Mutual of Omaha Plaza, Omaha, NE 68175, mutualofomaha.com

This is a solicitation of insurance. Policy forms LTC09M, LTC09M-AG, LTC09M-5ML, LTC09M-10ML (or state equivalent). In ID: LTC09M-ID, LTC09M-AG-ID, LTC09M-5ML-ID, LTC09M-10ML-ID. In NC: LTC09M-NC, LTC09M-AG-NC, LTC09M-5ML-NC, LTC09M-10ML-NC. In OK: LTC09M-OK, LTC09M-AG-OK, LTC09M-5ML-OK, LTC09M-10ML-OK. In OR: LTC09M-OR, LTC09M-AG-OR, LTC09M-5ML-OR, LTC09M-10ML-OR. In PA: LTC09M-PA, LTC09M-AG-PA, LTC09M-5ML-PA, LTC09M-10ML-PA. In WA: LTC09M-WA, LTC09M-AG-WA, LTC09M-5ML-WA, LTC09M-10ML-WA. For costs and further details of the coverage, including exclusions, any reductions or limitations and terms under which the policy may be continued in force, see your agent* or write to the company. You may be contacted by telephone by an insurance agent.*

*WA Residents: All instances of the term "agent" should be replaced with "producer."