



Longevity Planning

A Critical Component of a Comprehensive Retirement Plan

Have you had an experience with long-term care (LTC)?

- What happened?
- Who and where was care provided?
- What was the impact financial, emotionally, and physically?

There are three reasons longevity planning is critical:

1. People are living a longer life due to advances in medicine and technology.

- The National Cancer Institute states that there were an estimated 15.5 million cancer survivors in the United States in 2016. The number of cancer survivors is expected to increase to 20.3 million by 2026.
- A *Wall Street Journal* article references a new drug that would save the lives of thousands of stroke victims each year.
- *USA Today* mentions an existing drug that has a new application that could help prevent cervical cancer in women.

2. If there is a LTC event, it may impact the entire family—spouse and adult children.

- Family typically provides the majority of care—if there is not a plan in place, this could cause severe tension among family members.
- Providing long-term care rarely brings families together—it may tear them apart. All siblings may not want nor be able to provide equal assistance.
- Today, families are smaller and geographically dispersed—if adult children move away, who will provide and/or organize care?

3. If you have an EVENT, how would you pay for it?

- Your retirement portfolio has been structured to pay for retirement—not for long-term care expenses.
- Medicare does not cover custodial care.
- Medicaid does pay for custodial care, but generally pays for a skilled nursing home. Additionally, you would have to qualify for Medicaid, which is becoming increasingly more difficult.
- An extended LTC event could have a potentially devastating impact on a retirement portfolio. The median annual cost nationally of a semi-private room in a nursing home is \$90,156.*

It may be prudent to transfer the risk; the concept of spending pennies to protect dollars. LTC insurance may allow your retirement plan to be executed for the purpose it was intended—retirement—instead of paying for long-term care expenses. ***What is your plan?***