Getting Back at the Cost of Care with Tax Deductions

by Kaycee Bishop

Article published on February 15th 2012 | Insurance

Long term care (LTC) never fails to fill people with fear directed towards their health or finances or oftentimes, both. Perhaps everybody should try to see the advantages of planning their future health care needs in order to reduce the amount of fear which LTC has instilled in their systems. One of these advantages is eligibility for long term care tax deductions.

One of the reasons a big percentage of Americans remain without an LTC plan is refusal to accept the possibility of infirmity resulting from old age or a chronic illness. As much as possible everybody wants to maintain an excellent health until their last breath. Unfortunately, perfect health and eternal youth are only for the movies because in real life our bodies and overall state of health change when we hit old age.

If itâ€™s just wrinkles that youâ€™re worried about you can go to a surgeon who can fix your problem in n time, but sad to say thereâ€™s more important things to deal with other than facial lines. Once you discover the rates of in-home care, assisted living facilities, and nursing homes in your area your physical appearance will immediately become the least of your concerns.

LTC costs are too high these days that a lot of senior citizens have opted to extend their employment so that they will be able to save more money for their possible long term care (LTC) expenses. This just shows how responsible they are but unwise. Even if they work until the age of 80 they wonâ€™t be able to save enough money for the continuously soaring LTC costs.

Inflation rates are unpredictable so it is impossible to save up for tomorrowâ€™s cost of care. For example, todayâ€™s financial planners say the cost of care increases 5% annually but then there have been reports, too, that in 2025 LTC costs will increase twofold. Before everyone has adjusted to the new rates of LTC facilities they shall be confronted with another round of LTC cost increase in 2030 and this time itâ€™s going to be fourfold.

Long Term Care Tax Deductions

Extending your employment to save for your LTC needs is not going to help you. This will only result in a serious health disorder due to an overworked body.

Instead of doing that you can prepare for the indefinite cost of care by purchasing a long term care insurance (LTCI) policy and receive huge deductibles at the end of every tax year.

Premiums paid to a tax qualified LTCI policy are treated as medical expenses by IRS Code Section 213(d) and thus deductible from your income tax return. Your age at the end of the tax year corresponds to the eligible LTCI premium which shall be deducted from your income tax.

For example, if you are 40 years old at the end of the tax year your premium worth $660 shall be treated as medical expense and thus deductible. To find out more about long term care tax deductions take time to consult a licensed LTCI representative in your state of residence. You will realize that planning your LTC promises more savings than out-of-pocket expenses.

Article Source:

http://www.articleside.com/insurance-articles/getting-back-at-the-cost-of-care-with-tax-deductions.htm - Article Side

Kaycee Bishop - About Author:
We can help you shop for a long term care quote from major carriers and provide you with unlimited information about a CLASS act and long term care.

Article Keywords:
long term care tax deductions, long term care quote, CLASS Act

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!