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Want Tax Incentives? Look into Long Term Care by Chelsea Andrews

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Nobody wants to lose the ability of being in control of his own life; to be completely dependent on others just so he can survive. However, if you want to benefit from long term care tax incentives you might just want to give this a thought.

Donâ€™t take the whole idea from the wrong perspective. You are not advised to turn into a parasite and rely on your family for care so you can enjoy big tax deductions. Mind you, doing this will not qualify you for the said tax incentive which the Internal Revenue Service (IRS) confers only on individuals who actually require medical care because they are chronically or personal care in pursuant to the recommendation of a licensed physician.

Under the rules and regulations of the IRS, expenses incurred from qualified long term care (LTC) services fall into the category of medical expenses and thus deductible from oneâ€™s income tax return for as long as the total amount of these LTC expenses exceed 7.5% of his Adjusted Gross Income (AGI).

Many people in the country refute the importance of having an LTC plan because they do not want to face the likelihood of facing the cost of care. They donâ€™t understand that by having a plan they are sparing themselves from the high cost of care which is expected to soar higher in the years to come. Aside from protecting their finances from such costs, an effective LTC plan shall also serve as their passport to numerous tax opportunities.

Additional Ways to Enjoy Long Term Care Tax Breaks

Two things may happen to a person who refuses to acknowledge the realness of LTC.

First, he may suffer financially with the possibility of tugging his family along into the deep financial hole, as the cost of care will continue to rise in the succeeding years. Secondly, he will live the rest of his life with feelings of regret for not coming up with a good plan that wouldâ€™ve allowed him to receive topnotch care. Regret also for his unintentional (or intentional) swerving from helpful tax deductions that wouldâ€™ve improved his finances.

Itâ€™s only through acceptance that a person can wholeheartedly come up with an effective retirement plan. This plan should naturally be inclusive of your LTC because neither your health insurance nor Medicare contributions will foot your bill in a nursing home, an assisted living facility, or expenses that you would incur from in-home care.

There are different ways to plan your LTC but buying a tax qualified long term care insurance (LTCI) policy is highly recommended by the experts as this will not only ensure you of the best LTC coverage but tax benefits, as well.

If you own a tax qualified policy, a portion of your premium may be treated as medical expense and thus deductible. The amount of premium that shall be deducted from your income tax shall be determined by your age at the end of the taxable year and the deductible limit which corresponds to it.

According to the experts on the field of senior care, this generation is expected to live longer than those in the past. If you want to enjoy the coming years with your cherished family and big long term care tax deductions, now is the only time that you have to start planning for your future.

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