

# Full Circle



Summer is over, and for the next three months we generally become serious and goal-oriented again until the festivities of the holidays give us a reprieve.

Let this time of reflection and action toward fulfilling our business and family goals for the year include a discussion on long-term care planning and **calling us to learn about long-term care insurance options.**

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The impact of a long-term care illness can have devastating financial, social and emotional consequences. Yet, **many of you will agree that you have done nothing to plan for long-term care.** Even those of you who have been a caregiver for a parent or grandparent seem to think that it will never happen to you!

Having a conversation with your loved ones about money, health and aging can be uncomfortable. How do you overcome your reluctance and, more importantly, your denial to start a conversation with your family about long-term care?

Genworth, a leading long-term care insurance carrier, has created a website titled, "Let's Talk", geared towards helping families start a conversation about long-term care planning before a crisis occurs. The site is designed to give families the tools to learn about each other - what a spouse or parent is looking forward to and what they hope for in the future. These conversations allow for planning so that each person lives their life to the fullest, independently, and hopefully at home.

The site is broken into various topics: Planning for Long Term Care (a general overview), Breaking the Ice (when and how to start a conversation), Tips and Insights (compassionate ways to make the talks go more smoothly), Family Dynamics (how families respond to a long-term care situation) and FAQ's (scenarios you may be facing).

Whether it's you or someone you know - a family member, friend or business associate - who needs to take that first step in planning for the future, please visit [www.genworth.com/lets\\_talk](http://www.genworth.com/lets_talk) or call us today at 800-422-2655 to receive a **FREE COPY OF "LET'S TALK" MAGAZINE** and **FREE Long-Term Care Insurance quotes.** This simple call you make today, will make a difference tomorrow.

*Refer  
Someone  
You Care  
About*

*Susan*

## *The “CLASS Act”: Is Misleading....*

The federal government is considering the possible inclusion of the CLASS Act (Community Assistance Services and Support) in the Health Care Reform bill.

The CLASS Act would set up a voluntary long-term care government program under which employees and their spouses would pay a monthly premium, and be covered under a guaranteed-issue basis.

Sounds good – right? Not so say many industry health experts. Individuals will “mistakenly believe that this program will help them pay for their long-term care needs, but in actuality will only cover about **12%** of the total cost of their potential round the clock care”

The American Council of Life Insurers has pointed out the following shortfalls of the proposed bill:

- Coverage is generated for “employed” individuals and their spouse. **Long-term care insurance can be purchased from age 18 to 85 (depending upon the company) with no employment requirement.**
- The average cash benefit will be \$50/day. **Nationally, the average cost for a home health aide is \$20/hour and nursing home care costs are over \$76,000/year. Long-term care insurance gives you a daily benefit range of \$50 to \$500.**
- Premiums can change on a yearly basis. **Historically, most long-term care insurance carriers have had only one increase or none for policyholders during the 35 years the coverage has been offered.**
- There is a waiting period for benefit eligibility based upon 60 months of premium payments. **With long-term care insurance, home care benefits can be received on day one.**
- The bill states that there might be “2 or 3” benefit triggers. **Traditional long-term care insurance requires a loss of only 2 activities of daily living or cognitive impairment.**
- There is concern that Congress is considering a potentially underfunded entitlement program.

**Everyone will agree that we need to address the issue of long-term care. However, waiting for the government to provide a program that has the potential to be underfunded, unavailable and inadequate is not the best choice. Purchasing a long-term care policy that is benefit accessible and meets your needs is something you should not delay.**

For a Question and Answer guide about the CLASS ACT, call us at 800-422-2655.

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### **DID YOU KNOW???**

- 57% of all people with a disability rely exclusively on unpaid care from family or other informal caregivers at home.
- Home care is projected to increase by 178% by 2030.
- There was a 61% increase in the number of assisted living communities built between 1998 and 2006.
- Alzheimer’s disease afflicts about 4 million Americans; by 2025, this figure is projected to grow by 75%.

Source: Allen Hamm, Long Term Care Planning, Assuring Choice, Independence & Financial Security.

## **ASK SUSAN:**



**Question:** Can I receive any tax advantages by purchasing long-term care insurance?

**Answer:** The federal government and states offer tax advantages to long-term care insurance policyholders. If you itemize your medical expenses and they exceed 7.5% of your adjusted gross income, you are eligible for a tax deduction on the federal level. This deduction is determined by your age.

Each state offers different tax incentives. In NYS, a policyholder can take advantage of a **20% tax credit**.

There are also tax advantages for businesses. For example, C-Corporations can write-off long-term care premiums as a medical expense. The government also allows tax breaks for S-Corporations and Partnerships. Consult with your accountant.

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## **NEW POWER OF ATTORNEY LAW ENACTED**

On September 1, 2009, major changes to New York's Power of Attorney (POA) took effect. A POA is a document that allows you to give someone else, usually a relative or friend, the authority to make certain decisions and act on your behalf. The main reason for making these changes to the POA is to reduce abuse of authority, especially in regard to financial affairs, by the designated agent.

Following are some of the highlights of the new POA:

- Gift-giving is limited. Major gifts over \$500 cannot be made unless that particular transaction is initialed by the principal (the person issuing the POA) and a separate gift-giving rider is signed.
- The document includes specific instructions designed to educate the principal and agent regarding the handling of financial affairs.
- After September 1<sup>st</sup>, any new POA must be signed, dated and witnessed by both the principal and agent.
- The principal will also have the option of assigning a monitor to watch over the agent. An agent will be required to keep certain records of receipts and expenditures and make them available to the monitor and to certain governmental entities upon request.
- The new POA form is mandated by NYS and must be honored by all third parties except for reasonable cause.

If you have a POA in effect, there is no need to execute a new one. If your POA was valid according to the law at the time it was signed, it is still valid.

It is recommended that you consult with an attorney regarding the new POA as it is more complex than the old form.

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## **NEW YORK STATE ASSOCIATION OF COUNTIES LTCI**

Are you a NYS county employee or have a spouse or family member that works for a county municipality? If so, you are eligible for a discount on John Hancock long-term care insurance policies. Call us today or visit [www.NYSACltc.com](http://www.NYSACltc.com)

## CAREGIVING CONSULTATIONS

Sometimes caregiving can be so overwhelming that we become “paralyzed” and unable to make decisions. If you find yourself becoming confused, frustrated, and uncertain about the care you are providing for a loved one, perhaps a care consultation will help you see things more clearly. We’ll help you sort out your issues and concerns, and create an action plan that breaks down your caregiving responsibilities into steps. The fulfillment of each step will give you a sense of accomplishment and alleviate some of the pressure. Call us today to learn about this service.

## SAVE WHAT REMAINS OF YOUR NEST EGG

Knight Kiplinger – Editor-in-Chief, Kiplinger... In 2007, “the stock market reached an all time high and then started the precipitous decline that wiped out trillions of dollars of wealth. If your net has taken a hit, you may feel that now is the wrong time to take on a new expense. Ironically, though, you may need the protection of long-term care insurance now more than ever... precisely because of the damage the market inflicted on your nest egg”.



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*Education gives you the clarity to  
believe half of what you hear.  
Experience gives you the power to  
know which half....*

Jerome Perryman (paraphrased)