# It's Time to Revisit Your Financial Plan

*Taking advantage of The Pension Protection Act of 2006*

## A Look at Medicare, Retirement Planning and Long Term Care Planning.....

Most people turning 65 believe Medicare will cover Long Term Care (LTC) costs, and that's just not the case. While Medicare may pay for some expenses, the coverage is limited and you must meet certain criteria for coverage to apply. LTC can cost as much as $10,000 a month, depending on where you live and how you receive care, so the high cost of LTC can easily erode assets you are planning to use for the comfortable retirement you are anticipating. This makes LTC planning as much a retirement issue, as it is a healthcare issue. Since most people view their total assets as "retirement savings", it may be time for you to make all of those dollars work harder and play a role in both areas. It's important to understand the various options available to protect the assets you've worked so hard to accumulate; those intended provide income for the rest of your life.

## The Pension Protection Act of 2006 and new options to consider.....

Provision of the Pension Protection Act (PPA) went into effect in 2010, allowing you to use your savings dollars in tax advantaged ways. In fact, the expenses incurred for LTC, funded by PPA compliant solutions will ***NOT*** be considered taxable income. That means you can now use CDs, savings, annuities, cash value life insurance or even qualified dollars in IRA or 401k accounts for your LTC planning. The government is giving you an excellent reason to plan ahead, and implement a LTC plan. There are tradition LTC solutions and "Hybrid" solutions, so it's very important to consider your individual needs before you decide how to proceed.

| Options for Sam and Suzy Saver | Traditional LTC Solution | "Hybrid" LTC Solution #1 | "Hybrid" LTC Solution #2 |
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| Sam is 62, Suzy is 60, and both are in good health. Here are 3 ways to maximize the provisions of the Pension Protection Act. Each option provides both of them with a $6,000 per month LTC benefit, for 5 Years, with inflation protection increasing their benefits by 5% per year.<br><br>***Benefits from any of these options would be accessed income Tax-Free.....*** | • Sam & Suzy take $128,335 from their savings to purchase a Lifetime Income Annuity, and use Tax-Free Income to fund their Long Term Care Plan<br><br>• If they don't use their LTC plan, however, there is NO residual benefit (Much like auto/home owners insurance) | • Sam & Suzy deposit $177,000 into an Annuity/LTC "Hybrid" and implement their customized Long Term Care Plan.<br><br>• If they don't use their LTC plan, there could be as much as $151,000 for their heirs in residual benefits. | • Sam & Suzy reposition $369,207 into individual Life Insurance/ LTC "Hybrid" solutions to implement their customized Long Term Care Plan<br><br>• If they don't use their LTC plan, there could be residual benefits. $164,160 from her plan & $205,046 from his plan would be passed on to their heirs Tax-Free. |

***By repositioning low-yield bank deposits, old annuities, cash value life insurance and dormant retirement accounts, it's possible to improve comprehensive financial plans and include Long Term Care solutions for you and your family.***

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