



## SINGER WEALTH

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# Funding long-term care

It is common knowledge that people are living much longer than they used to because of advances in medical care and most people have a better understanding of how to live a healthy lifestyle. The unwelcome news is once people reach their late 80s and early 90s they often are no longer able to take care of themselves; they may need skilled care either at home or at a facility to help them perform the daily activities of living.

Currently it costs about \$50,000 a year for home care and \$120,000 a year for nursing home care. Some have acquired long-term care insurance policies in anticipation of these needs. If you have not acquired that kind of policy yet it can be expensive because the insurance companies know there is a high probability they will be paying out claims.

If you do not have any assets or if you do the proper Medicaid planning in advance, the government will pay for the cost of your nursing home stay. People with substantial assets can typically afford to pay those costs out of their own pocket.

However, for those who would rather not have to self-pay, there are hybrid life insurance contracts that will create an additional pool of

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funds. These funds will be available to pay for long-term care expenses if you are unable to perform two out of six activities of daily living. Hybrid life insurance contracts are attractive because they tend to pay competitive rates of interest with no investment risk or interest rate risk.

The accounts, if designed properly, will typically earn more than the bank, grow tax-deferred, will be fully liquid and can be cashed out at any time without penalty. However, the contracts provide an additional pool of funds available for long-term care if needed. Unlike traditional LTC policies, these contracts will pay all the unused long-term-care benefits to the owner's beneficiary, tax-free. For a free report text the word NOLOAD to 954-462-3300.

Source: New York Life