



Long-Term Care Insurance

Tax Advantages for Business Owners and Employees

Depending on the tax-structure of your business, there may be significant tax savings when you use business dollars to purchase long-term care insurance. Additionally, your employees may enjoy tax savings on a long-term care insurance policy purchased under a company-sponsored program.

- **Premiums may be tax-deductible**

Under current tax laws, you and your employees may be able to deduct either the **actual premium** or **eligible premium** paid on a tax-qualified long-term care insurance policy.

- **Actual premium** is the actual amount paid for a long-term care insurance policy
- **Eligible premium** is an amount determined annually by the federal government

- **Policy benefits may be tax-free**

Benefits paid by a tax-qualified long-term care insurance policy are intended to be tax-free as long as they do not exceed the greater of qualified long-term care daily expenses or the per-day limitation, which is \$320 in 2013. Source: Section 7702B of the Internal Revenue Code (IRC)

The Tax Advantages of Long-Term Care Insurance		
For Your Business	<p>Self-Employed Business Owners (Sole Proprietor, Partnership, LLC, S Corporation)</p> <p>Eligible premium may be tax deductible when the business purchases long-term care insurance policies for:</p> <ul style="list-style-type: none"> • Owner • Spouse • Dependents <p>Actual premium may be tax deductible when the business purchases long-term care insurance for:</p> <ul style="list-style-type: none"> • Employees 	<p>Owners of C Corporations</p> <p>Actual premium may be tax deductible when the business purchases long-term care insurance policies for:</p> <ul style="list-style-type: none"> • Owner/employee • Spouse • Dependents • Employees
For Your Employees	<p>Eligible premium may be tax deductible when an employee purchases his or her own long-term care insurance policy.</p> <p>Long-term care insurance premium may be included as a medical expense as the employee's combined medical expenses exceed 10 percent of adjusted gross income and deductions are itemized on his or her income tax return (7.5 percent for those 65 and over through 2016).</p>	

Eligible Premium Guidelines for 2013	
At age:	You can deduct:
40 and younger	\$360
41-50	\$680
51-60	\$1,360
61-70	\$3,640
71 and older	\$4,550

Source: IRS Revenue Procedure 2012-41

Eligible premiums are established annually based on the medical care components of the Consumer Price Index.

The information provided is not intended to be tax advice. Consult your tax advisor to determine the tax benefits for your business.

Long-term care insurance underwritten by: United of Omaha Life Insurance Company, Mutual of Omaha Plaza, Omaha, NE 68175, mutualofomaha.com

This is a solicitation of insurance. Policy forms LTC09U, LTC09U-AG, LTC09U-5ML, LTC09U-10ML (or state equivalent). In ID: LTC09U-ID, LTC09U-AG-ID, LTC09U-5ML-ID, LTC09U-10ML-ID. In NC: LTC09U-NC, LTC09U-AG-NC, LTC09U-5ML-NC, LTC09U-10ML-NC. In OK: LTC09U-OK, LTC09U-AG-OK, LTC09U-5ML-OK, LTC09U-10ML-OK. In OR: LTC09U-OR, LTC09U-AG-OR, LTC09U-5ML-OR, LTC09U-10ML-OR. In PA: LTC09U-PA, LTC09U-AG-PA, LTC09U-5ML-PA, LTC09U-10ML-PA. In WA: LTC09U-WA, LTC09U-AG-WA, LTC09U-5ML-WA, LTC09U-10ML-WA. For costs and further details of the coverage, including exclusions, any reductions or limitations and terms under which the policy may be continued in force, see your agent* or write to the company. You may be contacted by telephone by an insurance agent.*

*WA Residents: All instances of the term "agent" should be replaced with "producer."