

# TAX ALERT: Deductions for Long Term Care Insurance Premiums

KIRKLAND, Wash., March 18 (SEND2PRESS NEWSWIRE) – As the April 15 tax deadline looms, filers should not overlook the deductions allowed for long term care insurance, according to LTC Financial Partners LLC, the nation's most experienced long term care insurance agency.



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"People with LTC policies can deduct substantial sums," says Cameron Truesdell, CEO of LTC Financial Partners (LTCFP), "and those who don't have policies, but want them, can set themselves up now for deductions next year."

According to the Internal Revenue Code, the 2008 deductible amounts can be as high as –

- \$3,850 if you're 70 or over\*
- \$3,080 if you're over 60 but not over 70\*
- \$1,150 if you're over 50 but not over 60\*
- \$580 if you're over 40 but not over 50\*
- \$310 if you're 40 or under\*

(\*Note: Before end of taxable year, if medical expenses exceed 7.5% of adjusted gross income.)

But the tax benefits may not end there. "When people start taking their

benefits, there can be additional deductions in some cases,” Truesdell says. “When a policy is designed to pay on a per-diem basis, a limited portion of the benefits may be excluded from taxable income.” Also, when a policy is paid for out of a Health Savings Account (HSA), there can be tax advantages. “HSAs are funded with pre-tax dollars, and long term care premiums are eligible medical expenses, according to the IRS (Publication 502).”

For businesses, the tax breaks can be especially attractive, Truesdell says. “For example, when small business owners pay the premiums – for employees or themselves – it’s generally deductible as a business expense.” The self-employed, S-corporation owners, and C-corporation owners are NOT subject to the 7.5% rule that limits the medical-expense deductions of individual taxpayers.

LTCFP does not prepare tax returns or offer tax advice as part of its service, “but we team up with tax experts to make sure their clients have the benefit of our special knowledge,” he says. “Nobody knows more about the economics of long term care insurance than we do, and we’re glad to meet with anyone’s accountant or tax attorney.” LTCFP has formed strategic alliances with financial planning organizations including banks and the National Association of Estate Planning Attorneys.

How can you make sure you don’t miss out on the deductions? “We’re glad to consult with anyone’s tax preparer,” says Truesdell. More than 400 LTCFP experts are available by phone or Internet. Requests for help, at no charge, may be made at [www.ltcfp.us/ltcfp/taxbreaks.html](http://www.ltcfp.us/ltcfp/taxbreaks.html) .

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