

Does Your 401k Need Long-Term Care Insurance?

KIRKLAND, Wash., March 30 (SEND2PRESS NEWSWIRE) – People need insurance, but do retirement funds? “Absolutely,” says Jonas Roeser, Senior Vice President of Marketing & Operations for LTC Financial Partners LLC (LTCFP). “If you’re not thinking about your own health as you age, think about the health of your 401k or IRA. If your retirement vehicle becomes disabled or loses life blood, how can it support you when you need it?”

The average 401k has gotten healthier in recent years. The average balance rose to a 10-year high of \$71,500 last year, up 11.5% from 2009, according to a February report from Fidelity Investments. Good news! But the healthiest fund can lose capacity fast when a family lacks long-term care insurance (LTCi). Any family member – your spouse, parent, or child, if not you – may have a sudden need for long-term care, “and your retirement fund may fall victim,” Roeser says. “If you don’t have LTCi, you’re in effect self-insuring, and your retirement money will most likely take the hit.”

The math is sobering. According to a recent study by MetLife, the annual cost of a private room in a nursing home rose to more than \$83,500 in 2010, up 4.6% from 2009 – enough to wipe out the average 401k. If you or a family member could get by with in-home care, the financial damage would be less. According to MetLife, the cost of in-home health care by a trained assistant was \$21 per hour in 2010. If this care were needed an average of six hours a day, the cost would be about \$46,000 for a year, leaving \$25,500 in the average 401k. Early-withdrawal penalties, however, would decrease the balance. “Also, care might be needed for two, three or more years,” Roeser adds. “And more than one family member might require care.”

“The numbers explain why many financial advisors, not just medical professionals, are advising their clients to consider long-term care insurance,” says Roeser. “Financial health, not just physical well-being, is at stake. If you won’t buy a long-term care policy for yourself, buy one for your IRA or 401k.”

LTCFP is one of America’s largest and most experienced long-term care insurance agencies. The company is a co-founder and sponsor of the “3 in 4 Need More” campaign, which seeks to multiply the number of Americans protected by long-term care planning. More information is available at <http://web.ltcfp.com> .

– *Photo Caption: LTC Financial Partners Senior Vice President of Marketing & Operations Jonas Roeser.*

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