

2022 TAX BREAKS & INCENTIVES GUIDE FOR LONG TERM CARE INSURANCE

INDIVIDUALS

Current tax laws allow for the deduction of either the actual premium or the eligible premium paid on a tax-qualified long-term care insurance policy.

- Actual premium is the actual amount of premium paid
- Eligible premium is an amount determined annually by the federal government based on the medical care components of the Consumer Price Index and the age of the policyholder

If your combined medical expenses (tax-qualified LTCI and other medical expenses) exceed 7.5% of your Adjusted Gross Income (AGI), you may be eligible for a deduction. Any portion of LTCI premiums outside of the eligible premiums listed below cannot be includable as a medical expense.²

Eligible Premium Guidelines		
Age before the close of the taxable year:	2021 LTCi Eligible Premium	2022 LTCi Eligible Premium
40 and under	\$450	\$450
Ages 41-50	\$850	\$850
Ages 51-60	\$1,690	\$1,690
Ages 61-70	\$4,520	\$4,510
Ages 71 and over	\$5,640	\$5,640

YOUR LTCI BENEFITS ARE INTENDED TO BE TAX-FREE

As long as the benefits you receive from your tax-qualified LTCI policy do not exceed the greater of your qualified long term care daily expenses or the per-day limitation of \$390 (2022 limit), your benefits should be tax-free.³

BUSINESS OWNERS

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.

Tax Advantages of LTCi	
Self-Employed Business Owners (Sole Proprietor, Partnership, LLC, S Corporations)	Owners of C Corporations
Actual premium may be tax deductible when the business purchases long term care insurance policies for employees. Eligible premium may be tax deductible when the business purchases long term care insurance policies for the owner, spouse, or dependents.	Actual premium may be tax deductible when the business purchases long term care insurance policies for owner/employee, spouse, dependents, or Employees

Disclaimer: The information provided is informational purposes only and should not be consulted as tax or insurance advice. Please consult with your tax advisor and your insurance professional for advice regarding your specific circumstances



For resources & helpful information please visit: www.ltcgenie.com