Long-Term Care insurance: Tax Breaks for Non—Profits

Besides protecting against long-term care (LTC) costs, long-term care insurance (LTCi) may offer tax breaks for employees and spouses (please read disclosure at the bottom of the page).

If a nonprofit pays for tax-qualified LTCi policies for employees (& tax dependents):

1) Premiums are ***not* included in employee's W-2s,** hence are not taxable to the employee
3) Benefits are ***not*** taxable
4) Employers don't pay Social Security (6.2%) and Medicare (1.45%), additional Medicare tax for high-income employees (0.9%) and unemployment or state disability insurance. Employees also don't pay Social Security and Medicare tax.
5) Employers can choose to buy LTCi for only selected employees (and spouses)

If you pay for LTCi for a select group of employees, your **other employees benefit**. They and many relatives may benefit from lower prices and fewer health questions, as well as the convenience of easier shopping for LTCi and payroll deduction.

In most states, State Partnership programs can increase the value of LTCi significantly for the middle class. Some states also have attractive state income tax breaks.

For non-profits which rely upon donors, a LTCi program for donors can free money up for current donations rather than relying upon an estate donation.

It is valuable to give employees an opportunity to buy LTCi now. Buying 10 years earlier guarantees at least 34% more coverage when LTC is needed (with 3% compounding). Younger people are more likely to qualify (health) and have lower prices due to age, health, and marital status.

40% of employees provide eldercare (although only 20% identify as "caregivers"). Caregivers exercise, sleep & see *their* doctor less; are less productive; may harm peer productivity; and raise employer cost for health, disability & maybe liability. We may be able to help employee caregivers.

Replace this wording with your own

Help your employees prepare for the future.

People who need LTC and don't have LTCi are 50% more likely to move in with their children. For more info, please contact

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