



FORESIGHT
financial partners

Long-Term Care

Do I need Long-Term care? “It will never happen to me.”

You may very well be right. But what if you're not? Take a moment to consider the consequences that providing care over an extended period of years would have on the emotional, physical, and financial well-being of those you have promised to take care of.

Long-Term care doesn't happen to you, it happens to the people you love.

The need for long-term care is a safety issue that requires 24-hour a day attention. Since you are no longer safe, those you love are forced to re-orient their lives to make sure that you are. This change can have a potential impact on their emotional and physical well-being.

Long-Term care can also be ruinous to the best thought out retirement plan.

Many people believe that a federal program such as Medicare or Medicaid or the VA (if they are veterans), will pay for their care. These programs primarily cover medical procedures or rehabilitative care. Long-term care requires custodial care, which is defined as the assistance or supervision that a person who is physically or cognitively impaired needs in order to get through the day. With few exceptions, no federal or state program will pay for custodial assistance over an extended period of years. The family therefore is forced to pay out of pocket.

I think I have enough assets to pay for care.

The problem with relying on your retirement portfolio to pay for care is that it likely has already been committed to something very important: generating income to support your family's lifestyle. If you have to reallocate your retirement assets to pay for care you reduce the amount of income they generate. It can also cause other consequences such as:

Taxes: What would it cost to sell your qualified funds or low cost based investments?

Market Conditions: What if your investments needed to be sold in a down market?

Liquidity: Could you sell your assets, and if so would you incur a loss?

If your illness or condition lasted long enough, it could threaten the financial viability of your surviving spouse and children who depend on an inheritance.

It's beginning to make sense...but what if I don't need care?

You may not. But, do you begin to see how your family and retirement portfolio would be affected, if you ever did? That's why it's important to start thinking about a plan.

The value of a plan.

No one can guarantee that you won't need care. But we can create a plan that will help protect the well-being of your spouse and children if you ever do. That plan has 2 goals: First, to preserve your family members' emotional and physical well-being by allowing them to hire professionals to provide care. Second, to preserve your retirement portfolio. Your retirement fund can continue funding your lifestyle, therefore allowing you to help keep financial promises to a surviving spouse or other family member.