



Adding Value to Your Benefit Package with Long Term Care Insurance

Professionals who have worked hard and built up assets over the course of their careers may be particularly concerned that their savings could be affected by a long term care event. As the costs associated with long term care continue to rise, even employees with substantial incomes and adequate retirement savings may be wondering how they would cover the costs of future care for themselves or their loved ones, should the need arise.

Just as most employers provide health and retirement benefits, growing numbers of companies are offering group **long term care insurance** as part of their benefit packages. Providing access to long term care coverage can help to ease employee concerns about how they will fund future care. Designed appropriately, the addition of long term care insurance to a company's benefit package can help the business meet its recruitment and retention goals.

While employers may offer long term care insurance as a voluntary, employee-paid benefit, employees may be more likely to value the benefit when employers also contribute to the policies. In some cases, employers may purchase a "core" long term care insurance benefit for each employee, giving employees the option of purchasing additional benefits or higher benefit levels.

Employers wishing to offer more comprehensive long term care insurance benefits can help control the cost of premiums by imposing vesting and/or waiting periods for enrollment. In certain cases, employer contributions to long term care insurance plans may be tax deductible to the employer and excludable from the employee's income.

It's common to underestimate the cost of long term care and overestimate the funding that will be available through public programs and private health insurance. In reality, Medicare only covers short-term care. It may also cover some nursing home or assisted living costs, but only for a limited number of days of "skilled care" following a three-day hospital stay. Consequently, Medicaid has become the primary source of public funding for long term care. But, because it is a government program designed to help those in financial need, individuals must "spend down" their personal assets and meet the Federal poverty guidelines before qualifying for assistance.