

# The Criteria for LTC Planning

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## Long-term care is “custodial care”

- Custodial care involves providing assistance to an individual with activities of daily living or supervision of someone who is cognitively impaired.
- Long-term care is provided for individuals with chronic (full-time) and degenerative conditions that makes performing activities of daily living impossible without the assistance of another person.

## Conditions that may require chronic care include:

- A degenerative condition (e.g. Parkinson's, stroke, etc.)
- A prolonged illness (cancer)
- Cognitive disorder (Alzheimer's)
- The inability to dress, eat, bathe, use the bathroom, transfer to and from a chair or bed, or maintain continence without substantial assistance.

## Reasons to plan for managing the risks associated with long-term care include:

- Asset protection and estate preservation
- A desire to live in familiar surroundings as long as possible
- To maintain as much dignity, choice and independence as possible
- Having a plan in place for not only for where funds will come from to pay for care, but how and who to contact to coordinate care

## Private long-term care insurance should not be considered until three criteria are met:

1. You have determined that your retirement income resources are fairly sufficient to last at least to your life expectancy or longer, and
2. You could afford the current costs of LTC insurance premiums and sustain at least a 20% increase in premiums and still be financially capable of maintaining the coverage without substantially impacting your needs for retirement income, and
3. You have a minimum net worth of at least \$400,000 or expect to by retirement.