



The cost of long-term care

Preparing for long-term care expense

Client Guide

The Lincoln National Life Insurance Company

ICC14874339



You're In Charge®



They are looking forward to a long retirement...
...but what if one of them needs long-term care?

What is long-term care?

How much can it cost?

How will they cover the potential costs?

This brochure may be able to answer some
of your questions.

Long-term care is more than a nursing home

Long-term care is usually defined as personal or medical assistance with the activities of daily living (ADLs), which include bathing, dressing, continence, eating, toileting, and transferring those who may require assistance because of weakness or medical apparatus.

Assisted living

Assisted living provides help with bathing and dressing, medication reminders, and light housekeeping. It's designed to help those with minimal needs to remain as independent as possible.

Home care

Home care can include companions to assist with housekeeping, cooking, and shopping. It can also include medical care provided by registered or licensed practical nurses. Home care can be part-time or full-time, depending upon your needs.

Adult day care

Provides social and health-related services during the day to frail, elderly, or disabled individuals in a community-based setting. Adult day care can offer relief for family members who are caregivers and is ideal for those who would benefit from a group setting outside the home.

Nursing home

Nursing home services are mostly for those who need more intensive medical care, such as wound care, rehabilitation, or help with respirators or ventilators. Nursing home care may be temporary or permanent.

The costs of long-term care

The national average costs in 2013 for various types of long-term care, based on research by Univita and Lincoln Financial Group, are shown here. These costs may vary by region.

Long-term care service	Costs
Certified home health aide	\$19.36 per hour
State-certified assisted living unit	\$3,435 per month
Medicare-certified nursing home/semiprivate room	\$229 per day, or \$83,585 per year
Medicare-certified nursing home/private room	\$262 per day, or \$95,630 per year

Source: Univita and Lincoln Financial Group, "2013 Cost of Care Survey," December 2012, <https://www.lfg.com/lfg/DOCS/pdf/rna/2013CostofCareSurvey.pdf>. For a printed copy of the survey, call 877-ASK-LINCOLN.



Long-term care funding options

Can you realistically protect your retirement assets and income while covering long-term care costs?

Some people turn to these traditional ways to pay for long-term care expenses.

Traditional ways to cover costs

1. Personal savings

This includes CDs, mutual funds, individual stocks and bonds. Using your personal savings gives you the ability to choose the long-term care services you prefer. To avoid spending down your personal savings, you'll need to accurately estimate future costs of long-term care and set aside enough money to cover those costs for several years. Take into consideration the tax consequences of a large drawdown in one year. It could potentially impact your tax bracket and deductions.

2. Retirement income

Distributions from your employer's retirement account, such as your 401(k), 403(b) or pension plan could cover long-term care costs. You won't have to spend down other assets in your portfolio. But consider the impact to future retirement income should you recover after years of receiving long-term care. Retirement income may not be sufficient to cover long-term care costs, especially if a married couple is living on one income and one spouse requires long-term care.

3. Long-term care insurance

These policies provide specific medical expense coverage related to long-term care. While you may not have to spend down other assets with this insurance, you'll have ongoing premiums that vary depending on benefits and benefit periods. Also, if you never need care, the premiums may not be returnable.



4. Hybrid products

Hybrids combine life insurance and long-term care benefits. If you need care, the death benefit is accelerated to provide tax-advantaged long-term care benefits. Unlike traditional long-term care insurance, hybrid policies provide benefits even if you never need care, which may include a return of premium and a death benefit. Other common hybrid features are inflation protection options and a variety of covered expenses from assisted living to nursing home care.

5. Family and friends

You may have relatives or companions who are willing to take on the responsibility of caregiver. Whether they provide assistance with transportation, meals and expenses, or take you into their homes and care for you on a full-time basis, caregiving can be an overwhelming experience. It could become an emotional and financial burden for your loved ones.

Talk with your financial advisor

By planning ahead, you can help protect your savings and what's important in your life should you or a loved one need long-term care in the future.

Protecting wealth for generations

For more than 100 years, Lincoln Financial has strived to help secure its clients' futures. This is why many individuals trust Lincoln Financial to help them build, protect, and distribute their wealth during and after their lifetimes.

Discuss your goals with your advisor. Ask how Lincoln Financial can help you protect your savings, your retirement income and your legacy.

Help protect your financial future

If you or a loved one need long-term care, it could affect:



Your lifestyle



Your retirement



Your financial goals

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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