

Funding LTC with *Pre-Tax* Funds



Did you know that your client can fund their Long Term Care Insurance policy using pre-tax dollars from a 401(k), IRA, or 403(b)?

Funding LTC with Qualified Funds:

It might sound surprising, but its true! Specific Long Term Care products enable the ability for the consumer to pay for their contract using a partial rollover of their pre-tax retirement account!

This can be accomplished on a 7702 qualified Long Term Care contract meant to cover one person or both spouses, in the case of a survivorship policy.

Important to know:

- The client who's pre-tax retirement funds are being rolled over must be at least 59 1/2 years old.
- The Government still wants their part! Income-tax will need to be paid on on the portion of the rollover, however the tax liability will be spread out over the course of 10 years.