



# LIVING BENEFITS – 3 STEPS TO FUND LTC

INDIVIDUAL PLANNING SOLUTIONS

## The Pension Protection Act (PPA)

Reposition your client’s existing annuity to protect against the cost of Long-Term Care (LTC)

## FUNDING LONG-TERM CARE w/ NON-QUALIFIED ANNUITIES

**Make sure your clients’ nonqualified annuities are aligned with their intentions.** The Pension Protection Act (PPA) allows for income tax-free withdrawals from specially designed nonqualified annuities to fund Long-Term Care (LTC) expenses, regardless of cost basis.

### FACT

**The main objective for annuity purchases (54%) is retirement security.**

*Deloitte Center for Financial services*

### 5 QUESTIONS FINANCIAL PROFESSIONALS SHOULD ASK THEMSELVES ABOUT THEIR CLIENTS

1	Do you have client that own annuity contracts?
2	Are any of them past their surrender period?
3	Do any of these annuities have built-up taxable gains
4	Of those with gains, are any of them marked as “emergency”, “rainy day” money for your clients?
5	Would your clients be interested in learning how they could defer the taxes on the gains and create a 2-3X multiple “pool of money” for Long-Term Care expenses?

### HOW IT WORKS

Reposition your client’s existing annuity to protect against the cost of LTC and reduce / eliminate income taxes on the gains when using monies to pay for LTC expenses.

#### CURRENT ANNUITY CONTRACT

Non-Taxable – Cost Basis  
\$150,000

**Taxable - Gains, \$115,000**

#### RECOMMENDED ALTERNATIVE

Non-Taxable Funds  
Accessible for LTC,  
\$265,000

#### LTC BENEFIT W/ MULTIPLIER

Non-Taxable Funds  
Accessible for LTC,  
\$500,000

*Note: Before any annuity exchange is made, all factors should be weighed to verify that the product is appropriate for the client.*

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