



## **SENIOR NUGGET - NOVEMBER 2014**

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### **OPTIONS - PAYING FOR PARENTS CARE**

**IMPORTANT - Always consult a Financial Advisor or Tax Specialist to review all options and liabilities. Rules/plans change without notice.**

**Medicare provides limited coverage for skilled nursing or rehabilitation services after a hospital stay; doesn't cover custodial care (bathing, dressing, eating) which many with debilitating illnesses need. Many long-term insurance plans require 90-day waiting period before they begin. Some policies limit payouts to two or three years.**

**Medicaid covers custodial care in eligible long-term care facilities. In some states, it also covers home health care. The catch, parents must be impoverished to qualify. See [www.Medicaid.gov](http://www.Medicaid.gov) for more information.**

**Consult a Financial Advisor experienced in insurance products before embarking on items below:**

**Cash From Life Insurance - a whole-life policy could provide parents' long-term care, especially if it has a sizable cash-value account - parents can always withdraw the basis, the amount in cash-value account they paid in premiums - tax-free**



## **SENIOR NUGGET - NOV continued**

**Borrow against the cash value of policy, or sell policy to a life settlement company. These firms buy premiums and collect the death benefit when insured dies.**

**Tax Breaks - depending on amount of support you provide to parents, you may be able to claim them as dependents\* on your tax return. To qualify each parent's gross income must not exceed the personal exemption amount \$3,950 for 2014. \*Siblings must agree to allow one taking parents' as their dependent.**

**In addition you must provide more than half of your parents' support during the year you claim them as dependents.**

**Parents living with you? You can include the fair market rental value of their lodging**



**Happy Birthday to all born in November  
and**

**A Blessed Thanksgiving To All**