



NATIONWIDE RETIREMENT INSTITUTE®

Plan for long-term care in retirement

People are living longer these days—life expectancy has increased 30 years in the last century,¹ which is great, but it also means we're more likely to need long-term care in retirement than previous generations.



A person age 65 has a 70% chance of needing some type of long-term care during retirement.²

It's important to talk with your advisor. They have the resources to assess your long-term care needs, so that together you can create a financial plan to help prepare you for the costs you may face.

¹US Census, 2010.

²U.S. Department of Health & Human Services, Administration on Aging, October 10, 2017.

The reality of long-term care

The subject of long-term care can make many seniors uncomfortable because it is often equated with a nursing home. For most seniors, long-term care will begin at home with help provided by family members and friends. At some point, care may progress to options outside of the home.

*Today, **more than half** of all long-term care services are being provided in the home.³*

Types of care



In-home

Informal care

- The most common form of long-term care
- Provided in the home by family members, friends and neighbors

Home health care

- A range of paid services provided in the home by professional caregivers
- Assistance can include help with household tasks and personal hygiene, nursing care, or physical, speech or occupational therapy



Outside the home

Community care

- Includes assisted living or adult day care facilities where trained professionals provide care
- A care facility where individuals can receive skilled nursing and custodial care for age-related or chronic health conditions on a 24/7 basis

³ American Association for Long-term Care Insurance Study, June 1, 2018.

Informal care

Over 34 million Americans provided unpaid care to an adult age 50 or older in the past 12 months.⁴

- Caregivers spend an average of 24.4 hours a week providing care to their loved one, and the time commitment increases to 44.6 hours/week for those caring for a spouse/partner⁴
- One in five caregivers reports a high level of physical strain resulting from caregiving, while two in five consider their caregiving situation to be emotionally stressful⁴
- Six in ten caregivers report having to make a workplace accommodation as a result of caregiving⁴
- Caregivers have significant out-of-pocket expenses: \$7,000 annually for in-town caregivers and \$12,000 annually for out-of-town caregivers⁵

A unique toll on women

For many people in the early stages of chronic health conditions, care is initially provided at home and by family members. More often than not, it's women who are providing this informal care.



75%

*of informal caregivers
are women.*⁴

Planning takes on added significance

In a recent study by the AARP Policy Institute, half of caregivers reported they had no choice in taking on their caregiving responsibilities.⁴ Proper planning can help ensure that you and your family members retain the power of choice in a long-term care scenario. It's especially important for couples to anticipate the cost of care for an ailing partner and preserve options for the surviving spouse's continued living expenses and long-term care needs.

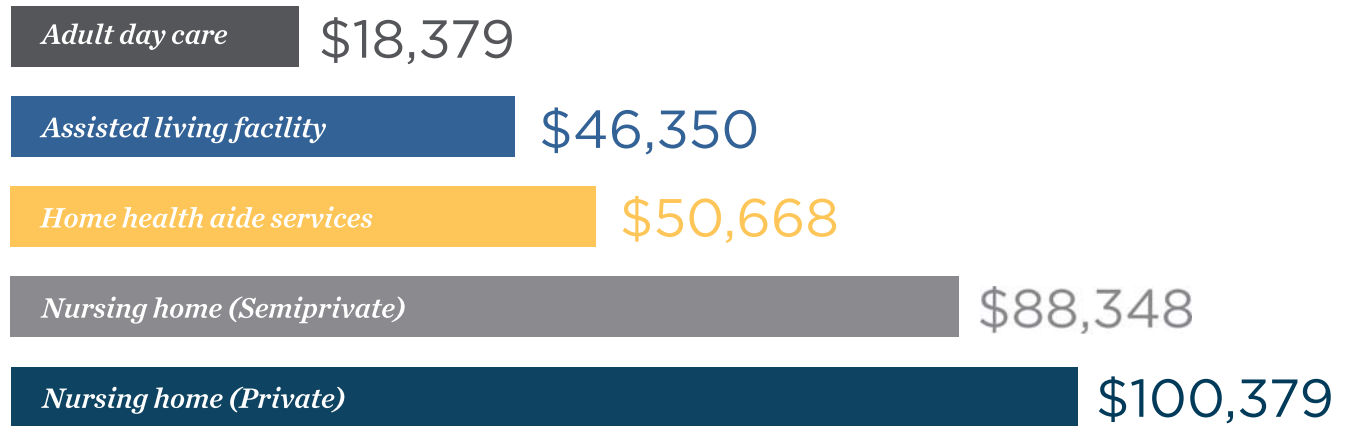
⁴ Institute on Aging, 2016.

⁵ "Family Caregiving and Out-of-Pocket Costs: 2016 Report," AARP (November 2016).

Bearing the cost

Long-term care is expensive and could be significantly more so in the future when you consider that a claim lasts, on average, 3.9 years.⁶

Current annual average costs of long-term care⁷



Care coverage

Medicare, Medicaid and other retiree health plans typically will not cover the expense of long-term care in your home.

Medicare

- If the condition qualifies, Medicare only covers a portion up to 100 days of "skilled" care, following a three-night admittance to a hospital
- Does not cover long-term care

Medicaid

- Qualification requires countable assets to be \$2,000 or less
- Care could be limited to a nursing home

Long-term disability

- Covers your lost income but doesn't cover expenses for any long-term care needs
- Typically when your job ends, so does your coverage

Health insurance

- Does not cover long-term care expenses
- Medigap policies are health insurance and do not cover long-term care expenses



If you're among the 70% of seniors who will require long-term care, you'll need to be prepared to fund the cost of most in-home services.⁸

⁶ "Long-Term Care Insurance Statistics," LTC Tree (June 12, 2018).

⁷ "Average Cost of Long Term Care 2018," Association for Long Term Care Planning, 2018.

⁸ U.S. Department of Health & Human Services, Administration on Aging, October 10, 2017.

Protect what's important to you

Long-term care coverage may help you cover the cost of care and retain control over how and where your care is received. Some coverage options even allow you to pay a friend or family member who provides care in your home.

90% *of seniors say they want to age in place at home.⁹*

Noteworthy benefits of having a plan and funding in place may include:

- Control the type of care you receive and where you receive it
- Coverage for both temporary and permanent care needs
- Preservation of your assets and income for loved ones
- Protection of the physical and emotional health of family caregivers

Get started with a personal assessment

The Nationwide® Health Care/Long-term Care Cost Assessment estimates what you can expect to pay in retirement for out-of-pocket health care costs, Medicare premiums and long-term care expenses. Your personalized assessment can help you and your advisor better understand how expected health care costs can affect your retirement, explore coverage options and develop a plan to meet your family's specific needs.

⁹ "Aging in Place," Jane E. Brody, The New York Times (May 2, 2016).



Clients

Ask your advisor to complete a Health Care/ Long-term Care Cost Assessment and discuss your options to help cover the cost of long-term care.



Financial professionals

For more information, call the Retirement Institute Income Planning Team at **1-877-245-0763** or visit **nationwidefinancial.com/ltc**.

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