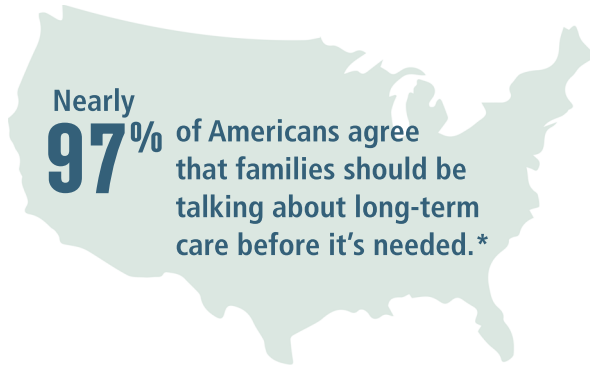


# Take the next step for your future

Get ready to talk about your long-term care plans



Some of the most important conversations with your loved ones are not the easiest, yet they have meaningful outcomes. Long-term care is a topic many people want to avoid, but a long-term care event doesn't just happen to a person; it affects the family.

Having a long-term care conversation as a family can be a life-changing event. It's something that everyone should be doing as part of their retirement strategy because it can lead to a better future for you and the ones you love.

## Know the facts

It's not uncommon to be confused about long-term care. Unlike medical care, long-term care is assistance with everyday tasks, including eating, dressing, bathing, using the toilet, helping with incontinence, and moving to and from a bed or a chair. Long-term care assistance can also include housework, cooking, administering medications, grocery shopping, and managing money.<sup>1</sup>

**A number of individuals have misconceptions about long-term care, such as:**

- 1 "It won't happen to me."** People tend to downplay their personal risk, often assuming that others face a greater risk of needing care.

Americans believe the risk is greater for someone else in the family\*

**33%**  
think they will need care.

**40%**  
believe their spouse will.

**50%**  
assume their parent will.

The reality is the actual risk is much higher for everyone †

- 2 "Medicare or Medicaid have me covered."** If qualified, Medicare may only cover a portion of skilled nursing costs up to 100 days. And Medicaid is only available to those with limited assets and income.<sup>2</sup>

\*VerstaResearch, "2017 LTC Marketing and Thought Leadership Research, Findings from Surveys of Advisors and Consumers," October 2017. For a printed copy of this research, please call 877-ASK-LINCOLN.

<sup>1</sup>Department of Health & Human Services, "Long-Term Services and Supports for Older Americans: Risks and Financing," *ASPE Issue Brief*, <https://aspe.hhs.gov/basic-report/long-term-services-and-supports-older-americans-risks-and-financing-research-brief>, revised February 2016.

<sup>1</sup>U.S. Department of Health and Human Services, "What is Long-Term Care?," <https://longtermcare.acl.gov/the-basics/what-is-long-term-care.html>, October 10, 2017.

<sup>2</sup>Department of Health & Human Services, "Long-Term Services and Supports for Older Americans: Risks and Financing," *ASPE Issue Brief*, <https://aspe.hhs.gov/pdfreport/long-term-services-and-supports-older-americans-risks-and-financing-research-brief>, February 2016.

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**3** *“That’s what my savings are for.”* Many Americans significantly underestimate the costs of long-term care, assuming the average annual cost of a private room is approximately \$54,000—roughly half the true cost. Unfortunately, financial professionals project that clients who experience an unplanned care event may spend their savings 2–3 times faster than anticipated.\*

**4** *“My family will be able to take care of me.”* The burden of caregiving usually falls on the women in the family. Daughters who care for ill parents are twice as likely as noncaregivers to experience depression or anxiety. And the overall cost to a female caregiver is estimated to be nearly \$325,000 due to lost wages and diminished working hours.<sup>1</sup>

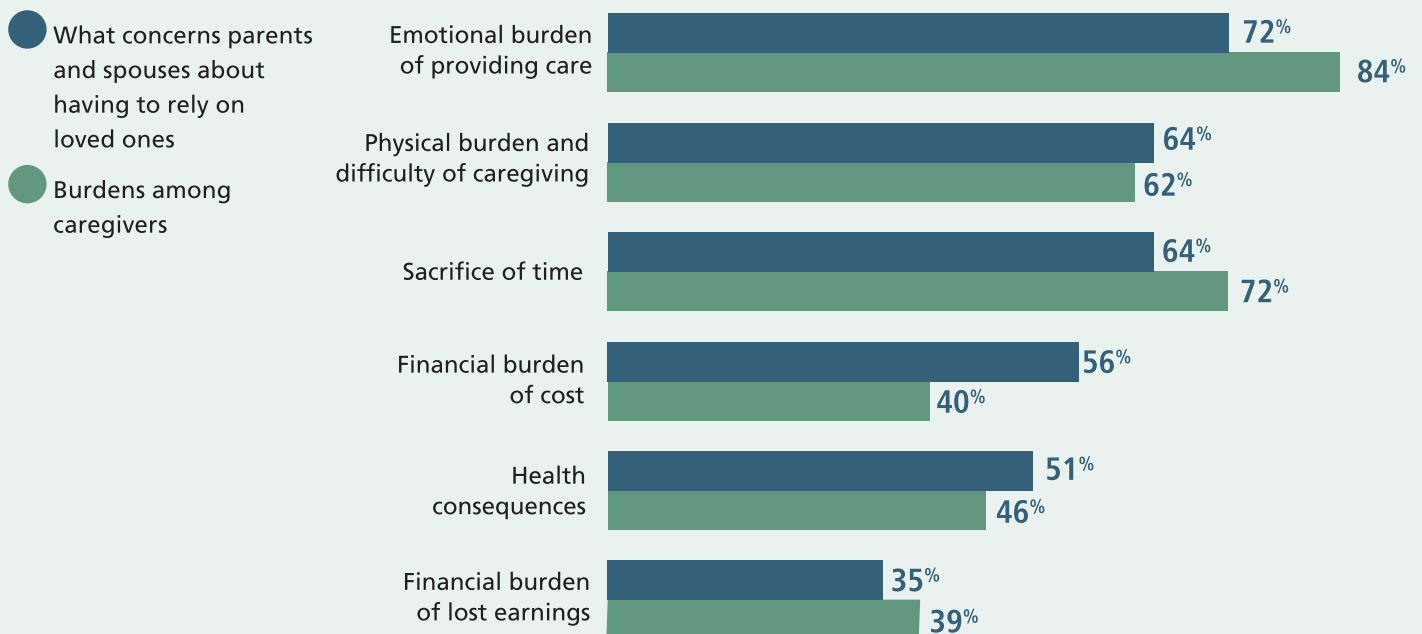
Approximately **95%** of advisors believe it’s important to consider long-term care as part of their retirement planning.\*

### Why it’s important to talk

People care about their loved ones and want the best for them. Yet many adult children don’t know their parents’ intentions, and often spouses are not on the same page. When there’s no plan in place, relatives may find themselves in the difficult position of having to make health-related and financial decisions for an ailing loved one.

It’s no wonder that Americans are concerned about becoming a burden when they think about potentially needing care and family members becoming their caregivers.\*

### The risks associated with long-term care\*



\*VerstaResearch, “2017 LTC Marketing and Thought Leadership Research, Findings from Surveys of Advisors and Consumers,” October 2017. For a printed copy of this research, please call 877-ASK-LINCOLN.

<sup>1</sup> Family Caregiver Alliance, “Women and Caregiving: Facts and Figures,” FCA, <https://caregiver.org/women-and-caregiving-facts-and-figures>, February 2015.

## When to get started

Get your loved ones engaged in conversations about planning while everyone is still healthy. A good time to begin the process is when you feel confident that you will reach your retirement goals. The next step is to consider what could derail your retirement.

## Discuss what's important in your plan

- **Care:** Let your loved ones know your preferences. Learn what the costs of different types of services are when and where you plan to retire.  
Visit the cost of care map at: [www.whatcarecosts.com/lincoln](http://www.whatcarecosts.com/lincoln). Enter sponsor code: Lincoln.
- **Caregiving:** While caregiving is very noble, long-term care can involve some of the most intimate aspects of daily living, and many feel they're incapable of providing the care a loved one would need.\* Share your expectations with your loved ones and encourage them to share their thoughts with you.
- **Health-related decisions:** Designate who has authority to discuss medications and treatment, and inform your physicians. Give your designee the contact information for your doctors.
- **Finances:** Let your loved ones know how you will cover the costs of care. Also establish who will have the authority to manage your finances, such as paying the household bills.
- **Legal matters:** Make sure you and your loved ones have a living will, a current will, a durable power of attorney, and a power of attorney for healthcare.

## Many Americans like you are thinking about long-term care\*

**72%** of parents are reluctant about having their children provide long-term care for them.

**61%** of sons and more than half of daughters hope they don't become their parents' caregivers.



More than **7 in 10** Americans worry they would not be able to provide adequate care if someone in their family needed it.

## Schedule a meeting with your advisor

Advisors have extensive experience in planning for long-term care. They can provide a wealth of knowledge and show you a variety of planning options.

## Plan for a productive conversation with your advisor

Before your meeting, please respond to the following questions. When you've finished, email this completed form to your advisor.

Name: \_\_\_\_\_

- 1) When I think about my overall goal for my assets, do I plan to completely spend them down? Yes  No   
Do I want to pass wealth to my loved ones? Yes  No  How much? \_\_\_\_\_
- 2) Do I have a good understanding of what care costs in my area? For example, do I know the difference between skilled nursing home care and the cost of in-home care? Yes  No
- 3) If I had a need for care, is my preference to stay at home for as long as possible or would I choose to go to a facility if there's a cost savings involved? \_\_\_\_\_
- 4) If I went to a facility, I would want it to have a rating of? 5-star  4-star  3-star  No preference
- 5) Many people believe that Medicare or Medicaid will cover these costs, yet often long-term care becomes private pay for the family day one and dollar one. On the very first day, where is that money coming from? Which asset would I sell first? \_\_\_\_\_
- 6) Would that create any additional tax implications for me and/or my spouse? Yes  No
- 7) Taking affordability off the table, am I going to feel comfortable with that level of assets being spent to provide care for me? Yes  No
- 8) Am I concerned about what the stock market might be doing if and when I need care? Yes  No
- 9) Do I have financial powers of attorney to help someone have access to pay for my care? Yes  No
- 10) If I had a need for care, would it be valuable for me to have some level of advocacy and coordination services set up to have myself or my loved ones pick a care facility? Yes  No
- 11) Would I want a family member acting as a caregiver for me in any capacity? Yes  No
- 12) If I should ever need care, what is my family prepared to do physically and financially?  
\_\_\_\_\_

Are they willing to sacrifice time to provide assistance? Yes  No

Are they even aware and feel comfortable that this is your plan? Yes  No

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

## Feel confident about your future

Having a plan to protect what's important in your retirement can give you the assurance of knowing you're ready for the years ahead.

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