

PREMIERCARE RETIREMENT SOLUTIONS

Long-Term Care Planning Guide

What Every Retiree and Pre-Retiree
Needs to Know

A **PremierPath** guide



PREMIERPATH

Path 4: Guard Your Future

"Don't just retire. Retire well."

THE REALITY

The Risk Most People Ignore

Long-term care is not just a possibility. For most people, it is a probability. And it is the single biggest financial risk in retirement that most families never plan for.

Extended care is not a place or a condition. It is a life-changing event that affects not just the person who needs care, but everyone around them.

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| 70% of people over 65 will need long-term care | 3+ yrs average duration of care needed | 56% chance of a serious disability after age 65 |
|--|--|---|

| Type of Care | Average Annual Cost (Arizona) |
|--------------------------------|-------------------------------|
| Nursing home (private room) | \$110,000+ |
| Assisted living facility | \$54,000+ |
| Home health aide (44 hrs/week) | \$62,000+ |

Medicare provides only limited skilled nursing coverage (up to 100 days under strict conditions). It does not cover custodial care, which is the type of care most long-term care events require: help with bathing, dressing, eating, and daily activities. Without a plan, the full cost falls on you and your family.

Who Is Most at Risk?

Gender: Women need care for an average of 3.7 years vs. 2.2 for men. **Health:** Chronic conditions, family history of dementia, and diabetes increase risk. **Living alone:** People without a spouse or partner are more likely to need paid care.

How to Build a Long-Term Care Plan

Most people deal with long-term care only when a crisis forces it. By then, options are limited, costs are higher, and the emotional toll on the family is enormous. A proactive plan changes everything. Here is how to think through it:

Step 1: Clarify your preferences. Before looking at any financial strategy, answer the personal questions first. Would you prefer care at home? Do you want to avoid placing caregiving responsibilities on your children? Is maintaining independence important to you? These preferences should drive the plan, not the other way around.

Step 2: Understand the real cost exposure. Based on your age, health, gender, and location, estimate how much a long-term care event could realistically cost. At Arizona rates, a three-year assisted living stay costs approximately \$162,000. A five-year nursing home stay could exceed \$550,000. Knowing the range helps you plan for the right amount, not too much and not too little.

Step 3: Evaluate your funding options. There are several ways to fund long-term care, and the right approach depends on your assets, health, and risk tolerance:

| Funding Strategy | How It Works | Best For |
|---------------------------|---|------------------------------------|
| Self-funding | Designate specific assets for care | Those with significant savings |
| Traditional LTC insurance | Pay premiums for future benefits | Healthy applicants, early planners |
| Hybrid life/LTC policies | Life insurance with LTC benefits built in | Those who want flexibility |
| Annuity/LTC rider | Annuity with LTC multiplier | Leveraging existing savings |

Step 4: Coordinate with your overall retirement plan. A care event affects your income, your spouse's financial security, your taxes, and your legacy. The best LTC strategies are built alongside your income and estate plans, not separately.

Step 5: Have the conversation with your family. Discuss your preferences, your coverage, and who will be involved in care decisions. Even the best plan fails if your family does not know it exists.

Modern hybrid strategies can eliminate the "use it or lose it" concern of traditional policies and leverage savings you already have. If you never need care, the benefit passes to your family. If you do, the policy multiplies your money to cover costs.

Putting It All Together

A complete long-term care plan answers these key questions:

- 1. What are my care preferences?** Home care, assisted living, or nursing facility? Your plan should reflect what you actually want, not just what is available in a crisis.
- 2. What is my realistic cost exposure?** Based on your age, health, gender, and location, how much could a care event cost?
- 3. How will I fund it?** Self-funding, insurance, hybrid strategies, or a combination? The answer depends on your assets, health, and risk tolerance.
- 4. How does this fit with the rest of my retirement plan?** A care event affects your spouse's income, your legacy goals, and your family.

Planning early is not about fear. It is about control. The earlier you explore your options, the more choices you have and the more affordable they tend to be.

QUESTIONS TO ASK YOURSELF:

- **If a long-term care event happened tomorrow, who would coordinate your care?**
- **How would it be paid for, and for how long could your savings sustain it?**
- **Have you explored hybrid strategies that protect your money either way?**

Want to know where you stand?

Take the free **PremierPath Retirement Risk Assessment** to see where you stand across all five paths of the PremierPath framework.

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"Don't Just Retire. Retire Well."

A Premier Legacy Builders Initiative

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