WEALTHSECURE
A Corporate Compensation Plans Company
Advisors to the Financial Professional

HOW INVESTMENT AND TAX SURCHARGES INCREASE THE COST OF LONG TERM HEALTH CARE

Most financial advisors and insurance agents overlook the fact that there are two **surcharges** on long term health care that easily double its costs:

1. **The Investment Surcharge:** When individuals say they are going to self-insure what they mean is this: "If I ever need long term health care I'll liquidate assets to pay for it." But after saying that, they fail to ask themselves, "What assets am I going to liquidate?"

   Regardless of the answer, liquidation always means the **loss** of earnings on the money spent on care costs. For example, liquidating $1,000,000 of assets to pay care costs always means the loss of the million dollars to the family **plus** the perpetual loss of earnings on it. For example, at 5% interest in 15 years, nearly $1,000,000 of investment earnings have been lost – in addition to the principal – and in 30 years nearly $3,000,000 of earnings will be lost.

2. **The Tax Surcharge:** When investments are liquidated at a profit, there can be a tax surcharge because the **gain** will be subject to either income or capital gains taxes. And when qualified retirement plan assets – or nonqualified deferred compensation accounts – are liquidated, there will be an even more serious tax surcharge because these distributions are taxed at **ordinary** income tax rates. That means that, in a top bracket, an individual will have to distribute $1,600,000 in qualified or deferred compensation assets to pay $1,000,000 in care costs.

Our new *CLTC-WealthSecure* System will be able to illustrate these surcharges in the very near future, and to access three powerful presentation pages on the subject ***click here***.

Additionally, to request a brochure with the details of the *CLTC-WealthSecure* System please ***click here*****.**