

Timely tips and fiscal facts from Coleman Financial Group that help you *Build Confidence in Your Financial Future*.

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Although the Holidays and year end are fast approaching, there's still time to fit in some last minute financial planning to take advantage of current year strategies as well as position yourself for the New Year.

Check this out...Here's a quick way to determine if you need to take any actions before December 31st...[Year End Planning Checklist](#)

Here are a few planning items to consider now:

Max out your 401(k) contributions. The maximum amount allowable is \$16,500 and if you are age 50 and older you can add an additional \$5,500 as a catch-up contribution.

Take your Required Minimum Distribution if you're aged 70 1/2 and older.

If you're a small business owner and haven't already done so, establish and fund a Solo 401(k) or other qualified plan.

Contribute to a 529 College Savings account.

Spend the money in your Flexible Spending Account - otherwise you lose the money.

Make tax-free gifts to family and friends - \$13,000 is



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the per person limit in 2010.

Make tax-deductible charitable contributions.

These are just a few of the many planning options to consider right now.

We're not sure what the New Year may hold, especially with a changing tax landscape, so now is a great time to review your investments and other financial strategies.

Call Taren at 301-941-1810 to schedule a year end financial review.

Long Term Care Awareness Month



November is Long Term Care Awareness Month... a continuing effort to raise public awareness regarding the importance of long term care planning.

Please take some time this month to learn more about long term care and planning options for you and your family. You can start here...

What is Long Term Care?

Long term care includes a range of services to assist you when you suffer from a chronic or prolonged illness or disability (Alzheimer's, Parkinson's, stroke, cancer, accidents and much more) that leaves you unable to care for yourself for an extended period of time.

Long term care is not just medical care, but is considered custodial care - care that is generally needed when you are unable to perform certain 'Activities of Daily Living' - bathing, eating, walking, getting dressed, etc. Services may be provided in nursing homes, assisted living facilities or a patient's own home.

Who needs Long Term Care?

The need for long term care services may come at any age - even younger people may need long term care if faced with a debilitating disease or accident. (Current estimates are that 40% of those receiving long term care services are between the ages of 18 and 64.) However, the majority of long term care services are provided for those aged 65 or

older, with the need rising significantly for people age 85 and older.

And, since women generally live longer, women are 50% more likely to require long term care services than men (three quarters of assisted living residents are women, and women account for more than two-thirds of the long term care benefits currently being paid out.)

What are the costs for Long Term Care services?

The costs of long term care services will vary depending on several factors including, the type of care needed, how care is delivered (nursing home, assisted living, at home) and location (more expensive in major metropolitan areas.)

The MetLife Mature Market Institute conducts an annual survey of long term care costs in the U.S. and estimates that in 2009, the national average rate for a private room in a nursing home was \$219 per day (or \$79,935 annually.)

For an assisted living community, the national average rate was \$3,131 per month (or \$37,572 annually.) And for home care services provided by home health aides from licensed agencies, the national average hourly rate was \$21.

How to pay for Long Term Care services?

Generally, health insurance, Medicare and Medicaid do not cover long term care costs. (Medicare pays for some short term nursing home care and Medicaid covers nursing home costs for lower income people.)

Long term care insurance has emerged in recent years as a way to offset the rising cost of care. Several insurance companies offer the coverage for individuals directly as well as through employer group plans.

As the industry has evolved, greater consumer protection standards have been implemented and the insurance policies offer a wider range of benefits and options. However, there are eligibility requirements (relatively good health) as well as benefit limits (maximum dollar amount or days covered) and no policy will cover 100% of your costs.

The cost of long term care insurance - the premiums you pay - will be based on a number of factors including your age, health, benefit amount, elimination period, inflation protection options and potential discounts.

There may be some tax deductibility for the long term care insurance premiums you pay as an individual (if you

itemize deductions) to the extent that the premiums paid exceed 7.5% of adjusted gross income.

The self-employed may be able to deduct 100% of long term care premiums they pay and businesses (C and S corps) may be able to deduct 100% of premiums paid on behalf of employees as a business expense.

Many states also offer tax incentives (credits/deductions) to encourage the purchase of long term care insurance.

Please consult with your tax advisor regarding tax implications for your specific situation.

Additionally, some life insurance policies and annuity contracts offer long term care benefit riders.

As with any other insurance, you want to consider the purchase of long term care insurance as a potential option before you actually need it.

Long term care planning for you and your family is an important strategy for protecting your financial future. Regardless of whether or not insurance is utilized, the out-of-pocket costs for care can be a heavy financial burden.

There are many factors to carefully consider in your planning and many resources are available to help you in your decision-making process.

Visit websites like www.longtermcare.gov and www.lifehappens.org for more information and for links to federal and state specific resources.

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