

A Popular Benefit *That Meets An Urgent Need*



With more and more employees responsible for older relatives, long-term care (LTC) insurance has become one of the most sought-after employee benefits today:

- Almost one-quarter of U.S. households, or 22.4 million families, are providing informal care for an aging relative.¹ Nearly seven million Americans provide or manage care for an older person who lives at least an hour away.²
- More than 14 million caregivers hold full or part-time jobs.³

One study shows that the average caregiver devotes 18 hours a week to helping elderly loved ones.⁴ The impact in the workplace is great - it's estimated that employees caring for relatives cost their employers as much as \$29 billion a year in lost productivity.⁵

The need for long-term care can quickly deplete a family's assets:

- One year in a nursing home averages \$40,000-\$80,000. At home care may cost as much as \$12,000 per year.⁶
- Medicare pays for just 16 percent of long-term care today, while Medicaid pays 38 percent - but only after the patient spends down to poverty levels.⁷
- Nationwide, caregiving families spend \$2 billion per month of their own money providing care to family members.⁸

By offering long-term care insurance, companies can help employees protect against the financial impact of an extended illness or disability and remain productive on the job. Offering group LTC insurance can also result in attractive tax advantages:

- Employers can take a business expense deduction for LTC premiums they pay;
- Employer contributions to an LTC policy are not taxable income to an employee;
- Benefits received under a qualified LTC plan are not considered taxable income.

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Unum Quick Tips

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Unum offers innovative Individual and Group Long-Term Care insurance that delivers a flexible combination of employer-funded and employee-purchased



coverage to meet a broad range of employer budgets.

For more information, contact your insurance advisor or a Unum representative.

Notes for additional reference

- 1 Karen S. Peterson, "More Spend Time Caring for Elders," USA Today, March 18, 1997.
- 2 "Nearly 7 Million Americans Provide Long-Distance Care to Elders and Make Sacrifices in Their Work and Personal Lives," National Council on the Aging press release, March 12, 1997.
- 3 Maggie Jackson, "Study: Caregiving Costs Businesses As Much as \$29 Billion," San Diego Daily Transcript, June 25, 1997.
- 4 Karen S. Peterson, "More Spend Time Caring for Elders," USA Today, March 18, 1997.
- 5 Maggie Jackson, "Study: Caregiving Costs Businesses As Much as \$29 Billion," San Diego Daily Transcript, June 25, 1997.
- 6 Samuel X. Kaplan, "The Case for Self Funding Corporate-Sponsored, Employee-Paid Long-Term Care Benefits," Compensation and Benefits Review, May/June 1995, p. 52.
- 7 Georgetown University Institute of Health Care Research and Policy, based on Levit et.al., (1996); data from the Office of National Health Statistics.
- 8 Karen S. Peterson, "More Spend Time Caring for Elders," USA Today, March 18, 1997.



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