

IRS Releases 2011 Limits on Deductions for Qualified LTCi Premiums

Qualified Long Term Care Insurance Premium Under Code 213(d)(10)		
Attained Age Before Close of Year	2010	2011
40 or less	\$330	\$340
41 not yet 51	\$620	\$640
51 not yet 61	\$1,230	\$1,270
61 not yet 71	\$3,290	\$3,390
71 or older	\$4,110	\$4,240

Source: IRS Revenue Procedure 2009-66 (2010 limits) and 2010-66 (2011 limits)

The age-based limits are indexed annually (to nearest \$10) to increases in the medical care cost category of the Consumer Price Index.

An individual taxpayer may deduct qualified long-term care insurance premiums subject to two limitations. First, any premiums greater than the above age-based limits are not deductible. Second, premiums under or equal to the above limits are deductible only to the extent that such premiums, together with any unreimbursed medical expenses the taxpayer has paid for himself or herself, his or her spouse, and dependents, exceed 7.5% of the taxpayer's adjusted gross income.

The discussion of legal and tax considerations is an interpretation of current law and is not intended as legal or tax advice. Your clients should consult their contract, and legal and tax professionals.

¹ IRC Sec. 162(1)(1)(B).

² IRC Sec. 162(1)(1)(B), Rev. Rul. 91-26, 1991-15 I.R.B. 23

³ IRC Sec. 162(1)(1)(B), Rev. Rul. 91-26, 1991-15 I.R.B. 23

⁴ IRC Sec. 162(1)(1)(B), Rev. Rul. 91-26, 1991-15 I.R.B. 23

⁵ IRC Sec. 213(d)(10)(A). Rev. Proc. 2002-70, 46 I.R.B. 1



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