

# EssentialLTC

## LTCi Sweet Spots

This material is provided for general informational purposes only. This is not to be considered tax advice. Consult your client's qualified tax advisor before making any decisions about purchasing long-term care insurance.



See State Variation Listing for availability - <https://www.ngl-essentialltc.com/bga/NLTC-PF.pdf>

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**NGL**  
***EssentialLTC***  
**Sweet Spots**



✓ **Lifetime Benefits**

**NGL**  
***EssentialLTC***  
**Sweet Spots**

- ✓ **Lifetime Benefits**
- ✓ **Shared Care (3<sup>rd</sup> Pool)**
  - ✓ **True 'Sharing'**
  - ✓ **Cost effective benefits**
  - ✓ **Survivorship**
  - ✓ **Available with ROP**
  - ✓ **Can use full amount**
  - ✓ **Available for all health ratings**

**NGL**  
***EssentialLTC***  
**Sweet Spots**

- ✓ **Lifetime Benefits**
- ✓ **Shared Care (3<sup>rd</sup> Pool)**
- ✓ **Joint Coverage**
  - ✓ **Waiver of Premium**
  - ✓ **Pricing**

## **NGL** ***EssentialLTC*** **Sweet Spots**

- ✓ Lifetime Benefits
- ✓ Shared Care (3<sup>rd</sup> Pool)
- ✓ Joint Coverage
- ✓ Single / 10-year Premium Options
  - ✓ Mitigate rate increases
    - ✓ After all premiums paid
  - ✓ Guarantees
  - ✓ Reposition assets
  - ✓ 1035 Exchange
  - ✓ Business situations

## **NGL** ***EssentialLTC*** **Sweet Spots**

- ✓ **Lifetime Benefits**
- ✓ **Shared Care (3<sup>rd</sup> Pool)**
- ✓ **Joint Coverage**
- ✓ **Single / 10-year Premium Options**
- ✓ **Return of Premium / Surrender**
  - ✓ **LROP** (Limited Return of Premium)
  - ✓ **LROPS** (Limited Return of Premium w/Surrender)
  - ✓ **FROP** (Full Return of Premium)
  - ✓ **FROPS** (Full Return of Premium w/Surrender)

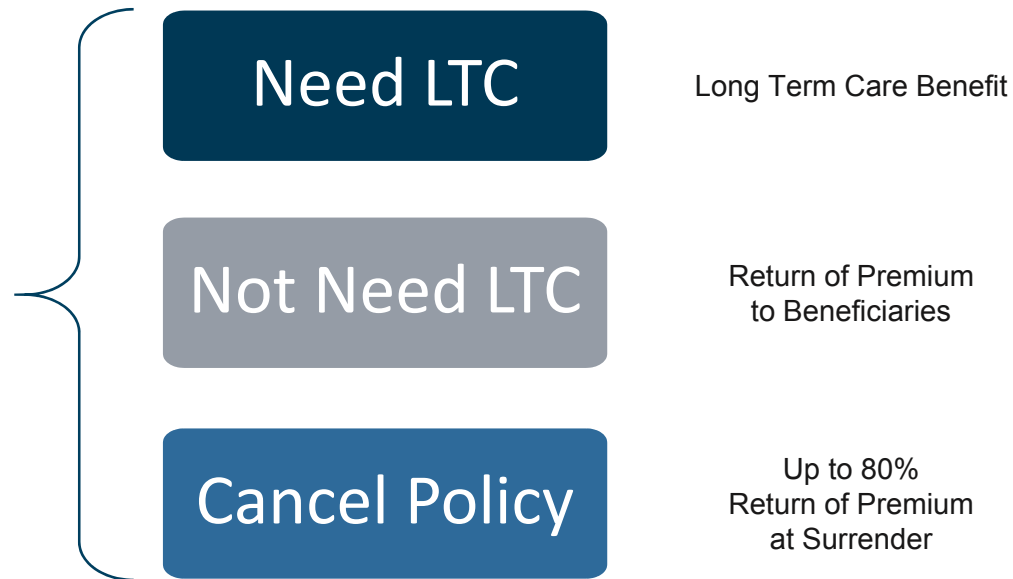
**NGL**  
***EssentialLTC***  
**Sweet Spots**

- ✓ Lifetime Benefits
- ✓ Shared Care (3<sup>rd</sup> Pool)
- ✓ Joint Coverage
- ✓ Single / 10-year Premium Options
- ✓ Return of Premium / Surrender
- ✓ Asset Based LTC Planning
  - ✓ TQ LTCi - Tax deductions

## THERE 'COULD' ALWAYS BE A SOLUTION

### THE KEY POINTS

**NGL**  
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**NGL**  
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**Sweet Spots**

- ✓ Lifetime Benefits
- ✓ Shared Care (3<sup>rd</sup> Pool)
- ✓ Joint Coverage / Pricing
- ✓ Single / 10-year Premium Options
- ✓ Return of Premium / Surrender
- ✓ Asset Based LTC Planning
- ✓ 1035 Exchange Opportunities

### Possible Sources to Fund *EssentialLTC* Premium

Cash

Savings, CDs, Money Market, etc.

Annuities

NQ Tax Deferred (with gains)

Life Insurance

Cash Surrender Value (with gains)

# Pension Protection Act (PPA) - 1035 Exchanges



Annuity/Life policy must be non-qualified

Amounts must be assigned directly from a Annuity/Life policy to an LTCi policy (same owners, same insureds)

Single premium exchange (premium) guarantees no LTCi rate increase

## What to look for...

Identify a need for long-term care planning

Non-qualified Annuity or Life Insurance  
(preferably with a significant amount of tax-deferred gain)

Need for existing policy has changed

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- ✓ Joint Coverage / Pricing
- ✓ Single / 10-year Premium Options
- ✓ Return of Premium / Surrender
- ✓ Asset Based LTC Planning
- ✓ 1035 Exchange Opportunities
- ✓ Executive Carve Out

# LTCi in the Workplace Executive Carve Out

A plan to Attract,  
Reward & Retain  
key employees

Can selectively  
choose who  
participates

Without a LTC plan  
retirement plans  
are put at risk

Tax Benefits  
- Deductions -  
- Tax-Free Benefits -

Employer Group  
Premium Rates

Portability

Flexibility to choose  
plan designs

# Executive Carve Out: C-Corp

## Executive Carve Outs – C-Corp

- LTCi premiums tax deductible for the corporation
- Not imputed income for the executive
- Not subject to discrimination testing
- Can be paid-up over the executive's working years by using a 10-year premium payment option
- LTCi benefits are received tax-free

## Employer or Association Group Discount

- Employer Group Premium Rates
  - see [state variation listing](#)
- 5% discount available for eligible Association Groups
- Individually underwritten

**1120** U.S. Corporation Income Tax Return

OMB No. 1545-0123

Form 1120 (2016)

For calendar year 2016 or tax year beginning \_\_\_\_\_, 2016, ending \_\_\_\_\_, 2016

▶ Information about Form 1120 and its separate instructions is at [www.irs.gov/form1120](http://www.irs.gov/form1120).

**A Check if:**

1  Consolidated return (attach Form 851)

2  Life/rental consolidated return

3  Personal holding co. (attach Schedule P)

4  Personal service corp. (see instructions)

**TYPE OR PRINT**

Name \_\_\_\_\_

Number, street, and room or suite no., if a P.O. box, see instructions \_\_\_\_\_

City or town, state, or province, country, and ZIP or foreign postal code \_\_\_\_\_

**B Employer identification number** \_\_\_\_\_

**C Date incorporated** \_\_\_\_\_

**D Total assets (see instructions)** \$ \_\_\_\_\_

**E Check if:** (1)  Initial return (2)  Final return (3)  Name change (4)  Address change

<b>1a</b>	Gross receipts or sales	<b>1a</b>	
<b>1b</b>	Returns and allowances	<b>1b</b>	
<b>2</b>	Cost of goods sold (attach Form 1125-A)	<b>2</b>	
<b>3</b>	Gross profit. Subtract line 2 from line 1c	<b>3</b>	
<b>4</b>	Dividends (Schedule C, line 19)	<b>4</b>	
<b>5</b>	Interest	<b>5</b>	
<b>6</b>	Gross rents	<b>6</b>	
<b>7</b>	Gross royalties	<b>7</b>	
<b>8</b>	Capital gain net income (attach Schedule D (Form 1120))	<b>8</b>	
<b>9</b>	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	<b>9</b>	
<b>10</b>	Other income (see instructions—attach statement)	<b>10</b>	
<b>11</b>	<b>Total income.</b> Add lines 3 through 10	<b>11</b>	
<b>12</b>	Compensation of officers (see instructions—attach Form 1125-E)	<b>12</b>	
<b>13</b>	Salaries and wages (less employment credits)	<b>13</b>	
<b>14</b>	Repairs and maintenance	<b>14</b>	
<b>15</b>	Bad debts	<b>15</b>	
<b>16</b>	Rents	<b>16</b>	
<b>17</b>	Taxes and licenses	<b>17</b>	
<b>18</b>	Interest	<b>18</b>	
<b>19</b>	Charitable contributions	<b>19</b>	
<b>20</b>	Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	<b>20</b>	
<b>21</b>	Depletion	<b>21</b>	
<b>22</b>	Advertising	<b>22</b>	
<b>23</b>	Pension, profit-sharing, etc., plans	<b>23</b>	
<b>24</b>	Employee benefit programs	<b>24</b>	
<b>25</b>	Domestic production activities deduction (attach Form 9903)	<b>25</b>	
<b>26</b>	Other deductions (attach statement)	<b>26</b>	
<b>27</b>	<b>Total deductions.</b> Add lines 12 through 26	<b>27</b>	
<b>28</b>	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11.	<b>28</b>	
<b>29a</b>	Net operating loss deduction (see instructions)	<b>29a</b>	
<b>b</b>	Special deductions (Schedule C, line 20)	<b>29b</b>	
<b>c</b>	Add lines 29a and 29b	<b>29c</b>	
<b>30</b>	<b>Taxable income.</b> Subtract line 29c from line 28. See instructions	<b>30</b>	
<b>31</b>	Total tax (Schedule J, Part I, line 11)	<b>31</b>	
<b>32</b>	Total payments and refundable credits (Schedule J, Part II, line 21)	<b>32</b>	
<b>33</b>	Estimated tax penalty. See instructions. Check if Form 2220 is attached	<b>33</b>	
<b>34</b>	<b>Amount owed.</b> If line 32 is smaller than the total of lines 31 and 33, enter amount owed	<b>34</b>	
<b>35</b>	<b>Overpayment.</b> If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	<b>35</b>	
<b>36</b>	Enter amount from line 35 you want: <b>Credited to 2017 estimated tax</b> ▶ <b>Refunded</b> ▶	<b>36</b>	

**Sign Here**

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

Print/Type preparer's name \_\_\_\_\_ Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ PTIN \_\_\_\_\_

Check  if self-employed

**Paid Preparer Use Only**

Firm's name ▶ \_\_\_\_\_ Firm's EIN ▶ \_\_\_\_\_

Firm's address ▶ \_\_\_\_\_ Phone no. \_\_\_\_\_

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 114500 Form 1120 (2016)

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# EssentialLTC

# Executive Carve Out: S-Corp, LLC, Sole Prop.

## Executive Carve Outs – S-Corp, LLC, Sole Prop

- Pass-through income to executive
- Partial or full self-employed health care deduction

## Age Eligible Premium

Age	2018 Per Insured	2018 Joint Policy
41-50	\$780	\$1,560
51-60	\$1,560	\$3,120
61-70	\$4,160	\$8,320
71+	\$5,200	\$10,400

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2016** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2016, or other tax year beginning . . . . . 2016, ending . . . . . 20

See separate instructions.

Your first name and initial . . . . . Last name . . . . . Your social security number . . . . .

If a joint return, spouse's first name and initial . . . . . Last name . . . . . Spouse's social security number . . . . .

Home address (number and street). If you have a P.O. box, see instructions. . . . . Apt. no. . . . .

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). . . . .

Foreign country name . . . . . Foreign province/state/county . . . . . Foreign postal code . . . . .

**Filing Status**

1  Single . . . . . 4  Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ . . . . .

2  Married filing jointly (even if only one had income) . . . . .

3  Married filing separately. Enter spouse's SSN above and full name here. ▶ . . . . . 5  Qualifying widow(er) with dependent child . . . . .

Check only one box.

**Exemptions**

6a  Yourself. If someone can claim you as a dependent, do not check box 6a . . . . .

b  Spouse . . . . .

c **Dependents:** (2) Dependent's social security number (3) Dependent's relationship to you (4)  If child under age 17 qualifying for child tax credit (see instructions)

(1) First name . . . . . Last name . . . . .

If more than four dependents, see instructions and check here ▶

**Income**

7 Wages, salaries, tips, etc. (Attach Form(s) W-2 . . . . . 7

8a Taxable interest, Attach Schedule B if required . . . . . 8a

b Tax-exempt interest, Do not include on line 8a . . . . . 8b

9a Ordinary dividends, Attach Schedule B if required . . . . . 9a

b Qualified dividends . . . . . 9b

10 Taxable refunds, credits, or offsets of state and local income taxes . . . . . 10

11 Alimony received . . . . . 11

12 Business income or (loss), Attach Schedule C or C-EZ . . . . . 12

13 Capital gain or (loss), Attach Schedule D if required. If not required, check here ▶  . . . . . 13

14 Other gains or (losses), Attach Form 4797 . . . . . 14

15a IRA distributions . . . . . 15a b Taxable amount . . . . . 15b

16a Pensions and annuities . . . . . 16a b Taxable amount . . . . . 16b

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E . . . . . 17

18 Farm income or (loss), Attach Schedule F . . . . . 18

19 Unemployment compensation . . . . . 19

20a Social security benefits . . . . . 20a b Taxable amount . . . . . 20b

21 Other income. List type and amount . . . . . 21

22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶ . . . . . 22

**Adjusted Gross Income**

23 Educator expenses . . . . . 23

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ . . . . . 24

25 Health savings account deduction, Attach Form 8889 . . . . . 25

26 Moving expenses, Attach Form 3903 . . . . . 26

27 Deductible part of self-employment tax, Attach Schedule SE . . . . . 27

28 Self-employed SEP, SIMPLE, and qualified plans . . . . . 28

29 Self-employed health insurance deduction . . . . . 29

30 Penalty on early withdrawal of savings . . . . . 30

31a Alimony paid b Recipient's SSN ▶ . . . . . 31a

32 IRA deduction . . . . . 32

33 Student loan interest deduction . . . . . 33

34 Tuition and fees, Attach Form 8917 . . . . . 34

35 Domestic production activities deduction, Attach Form 8903 . . . . . 35

36 Add lines 23 through 35 . . . . . 36

37 Subtract line 36 from line 22. This is your adjusted gross income . . . . . 37

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