

IRS Increases 2015 Tax Deduction Limits for Long Term Care Insurance

MEDIA PLEASE NOTE: For additional comment, please call Jesse Slome at 818-597-3227

October 30, 2014. Los Angeles, CA — The American Association for Long Term Care Insurance, a national trade group, announced approval of increased tax deductions for long term care insurance policies purchased in 2015.

“For taxable years beginning in 2015, the limitations have been increased again by the Internal Revenue Service,” explains Jesse Slome, executive director of the American Association for Long Term Care Insurance. The increase amounts to about two percent compared to the prior year.

“Tax advantaged long term care insurance remains one of the few remaining significant tax-savings benefits especially meaningful for small business owners,” Slome explains. “While deductions may not apply for individuals who are still working, they often can be taken during retirement when income stops and medical expenses often occur.”

The 2014 and 2015 deductible limits under Section 213(d)(10) for eligible long-term care premiums includable in the term ‘medical care’ are as follows:

Attained Age Before Close of Taxable Year	2014	2015
40 or less	\$370	\$380
More than 40 but not more than 50	\$700	\$710
More than 50 but not more than 60	\$1,400	\$1,430
More than 60 but not more than 70	\$3,720	\$3,800
More than 70	\$4,660	\$4,750

Source: IRS Revenue Procedure 2013-35 (2014 limits) and 2014-61 (2015 limits)

In addition, according to Slome, the per-diem limitation under Section 7702B(d)(4) for periodic payments received under a qualified long term care insurance contract for 2015 remains at \$330 (the 2014 limit was also \$330).

The American Association for Long Term Care Insurance is the national association serving insurance and financial professionals who provide long-term care financing solutions.