

How Much Long Term Care Premium Can I Deduct From my 2019 Federal Income Taxes

The Internal Revenue Service (IRS) is increasing the amount taxpayers can deduct from their 2019 income as a result of buying long-term care insurance.

Premiums for "qualified" long-term care insurance policies are tax deductible to the extent that they, along with other unreimbursed medical expenses including Medicare premiums, exceed 10 percent of the insured's adjusted gross income in 2019. (It was a lower 7.5 percent threshold for the 2017 and 2018 tax years. Therefore you must itemize your deductions to deduct any of your medical expenses including long term care premiums.

To be "qualified," policies issued on or after January 1, 1997, must adhere to certain requirements, among them that the policy must offer the consumer the options of "inflation" and "nonforfeiture" protection, although the consumer can choose not to purchase these features.

These premiums are deductible for the taxpayer in the year paid for himself, his spouse and other dependents. However, there is a limit on the amount of the premium that can be deducted which depends on the age of the taxpayer at the end of the year. Following are the deductibility limits for 2019. Any premium amounts for the year above these limits are not considered to be a medical expense and will not be deductible.

Age Before the Close of the Taxable Year	Annual Deduction Limit on Premiums
40 or less	\$420
More than 40 but not more than 50	\$790
More than 50 but not more than 60	\$1,580
More than 60 but not more than 70	\$4,220
More than 70	\$5,270

In 2019 the IRS announced a change involving the taxability of benefits from per diem or indemnity policies, which pay a predetermined amount each day. These benefits are not included in income except amounts that exceed the beneficiary's total qualified long-term care expenses or \$370 per day, whichever is greater.

If you have any questions on the deductibility of Long Term care premiums please call Gregory J. Spadea at 610-521-0604.