

Wealth News

May 2010

Information from SACU and CFS* to help keep your financial life in balance

Consumer Sense

Protecting your Future

Nobody wants to think about spending time in a nursing home. Nevertheless it is definitely something we all must consider. Care in an assisted-living facility or even in your own home can be extremely expensive. Without careful planning, you may exhaust your hard-earned retirement savings trying to pay the bills. If you're one of the millions of baby boomers preparing for retirement, looking into long-term care (LTC) insurance should be on your planning "to do" list.

Living Longer

With the population living longer, the need for LTC and protection from the burden of its high costs is a distinct possibility in the future. According to recent data, a male age 65 has a 50 percent chance of living beyond age 85, age 88 for a female. For a couple, at least one spouse may live to age 92. According to a study by the U.S. Department of Health and Human Services, people who reach age 65 have a 40 percent chance of entering a nursing home.

What is Long-Term Care?

LTC is a variety of services, including medical and non-medical care to

people who have a chronic illness or disability. LTC is frequently associated with the elderly, but even children have accidents or illnesses that can require care.

Long-Term Care Costs

The 2009 national daily average room rate in a nursing home facility ranges from \$198 to \$219 (semi-private to private room), or \$72,270 to \$79,935 annually. Any lengthy care may exhaust a large portion of one's life savings. That's why it is important to consider LTC as a part of your long-term financial plan.

Long-Term Care Insurance

Many major insurance companies in the private sector offer LTC insurance. While these plans require policy owners to pay either upfront or ongoing premiums, they often provide more flexible eligibility, coverage options and benefit payment terms. The greater flexibility can, in turn, help policy owners better protect their life and retirement savings from the ravages of high LTC costs.

Public Programs for Long-Term Care

Medicare generally does not pay for long-term care expenses. Medicare pays only for medically necessary skilled nursing facility or home care for a limited number of days.

Medicaid is a state-administered health insurance program that helps many people who otherwise cannot afford to pay for medical care. To qualify for LTC coverage under the Medicaid program, one must meet strict financial and functional eligibility requirements.

Sources:

- longtermcare.gov/LTC/MainSite/index.aspx;
- medicare.gov;
- *The MetLife Market Survey of Nursing Home & Assisted Living Costs*, October 2008.

Schedule your complimentary appointment with a CFS* investment representative at SACU by calling U.S. Toll Free 1-800-234-7228 Ext.1071 or Ext. 1442 today. In San Antonio please call 258-1071 or 258-1442. Check out SACU's [Investment Professionals](http://sacu.com) on sacu.com.

Have You Read...

Long-Term Care: How to Plan & Pay for It by *Joseph Matthews*. An informative guide to choosing and paying for a nursing home, assisted living site, or home care.

The logo for SACU, consisting of the letters "SACU" in a white, serif font inside a red rectangular box.

Your Dream Is Our Mission...

At SACU, our CFS* financial advisors are committed to providing products and services that help you and your family build your personal financial wealth and financial well being. Interested in learning more? Call 1-800-234-7228 Ext 1071 or Ext 1442.

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