YOUR RETIREMENT YOUR WEALTH YOUR LEGACY

BRYAN S. SLOVON, MRFC®, CEP®
STUART FINANCIAL GROUP

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BRYAN SLOVON/STUART FINANCIAL GROUP
6411 IVY LANE, STE 520, GREENBELT, MD 20770
STUARTFG.COM

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“Planning is bringing the future into the present
so that you can do something about it now.”

~ *Alan Lakein*

To my mother,
for always loving and believing in me. Your lifelong dedication to helping others paved my way to do the same.

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PREFACE

The Importance of Planning

I believe the path to retirement begins with one question: How long would you like to be retired? We have been conditioned to focus heavily on the dollars. Therefore, it is often hard to picture how the dollars translate into time. Planning is the critical factor in realizing a comfortable retirement or facing one full of uncertainty, or worse yet—possibly not being able to retire at all.

You must own retirement readiness, and that is what I help my clients achieve. We have a motto at my firm to help my clients reach the "goodbye tension, hello pension!" feeling when they finally get to that long-awaited retirement day.

But before we can get there, there is a whole lot of work to be done, and I don't mean turning to your web browser and searching for a retirement spreadsheet that a well-intended engineer uploaded for the world to use. Nor do I mean talking to your neighbor, brother, or friend for their financial advise because they "seem" like they have financial success (never mind the fact that they've worked in other industries and only they know if their finances are truly on track or secretly in shambles). One thing that we tend to be good at is noticing what the "Joneses" are doing. However, just like in social media, where people only show the good sides of their lives, when it comes to finances, you'll likely only see people's successes and hardly ever see the financial hardships or money blunders.

To own retirement readiness means having a plan. That plan should encompass multiple aspects of your financial lives. I

know—I've seen firsthand how devastating it can be when families don't have a plan in place when the "what ifs" become a reality.

For many, that wakeup call was a worldwide pandemic. The COVID pandemic has disrupted our lives and turned our entire world upside down. Unfortunately, for many, the pandemic was a rude awakening to their lack of planning and awareness of their financial health.

However, for me, this wakeup call came a long time ago—twenty-five years ago, to be precise. It came from Darwin and Jeanne, my beloved parents, the two people responsible for so much goodness in my life. But most importantly, responsible for giving me clarity in what I wanted to do with my career. It is because of their story that I found my WHY, my calling in doing what I do and my commitment to helping the families I work with own their retirement readiness.

Like so many folks out there, my parents lived their lives in their little bubble. They were the typical couple of their generation. Dad was the breadwinner, a business owner, and handled all the family financial responsibilities. He was a good dad, owned a home improvement business, and provided his family with a comfortable lifestyle. But see, what he didn't know is that having a mishmash of accounts with a positive balance does not actually constitute having a plan.

My mom, she was the best mom anyone could wish for. The kind of mom that took care of her household and everyone in her life and made it look easy. She would have put June Cleaver to shame—she was that good! But when it came to the finances, she did not get involved; it just wasn't her thing. She always had a million different things going on with the five of us. I remember she used to joke that handling the finances was like a foreign language to her!

I had a good upbringing in the Maryland suburbs. My parents raised us well, we all participated in various sports growing up and did all the typical fun things kids did back then. Overall, it was quite the happy childhood.

Eventually, we all grew up and moved out of the house to become responsible adults. My oldest brother graduated from veterinary school, got married and opened his own practice; the second oldest also married and became an entrepreneur; and brother number three moved south to go to school and settled there after graduating. I am boy number four, and at the time, had moved to Margate, NJ for a short stint. I became insurance licensed and started working in the insurance industry helping young families plan for their future. Finally, my younger sister also married and went on to do her own thing.

Life was good, my parents were happy empty nesters. They enjoyed going to Indian Spring Country Club, spending time with their friends. They loved going to the local shore, as was the family tradition. Hosting parties and barbeques and traveling freely just the two of them. They continued living the same way they always had. I think in the back of their mind, it was “if it isn’t broken, why bother with it?”

Then one hot July day, in 1996, my dad’s heart gave out. To say my mother’s world turned upside down is an understatement. She was completely lost without him. She knew how to take care of others, how to plan a fantastic gathering, plan a long road trip with everyone in tow, and not miss a single step. But dealing with all the financial decisions and understanding what they had was not something she was prepared for. Suddenly, there were all these major decisions that needed to be made. Bills to pay, checkbooks to balance, a house to maintain. But more importantly, there was the issue of inaccessible accounts that she couldn’t use because dad had not planned on being gone.

See, their situation is not unique. Planning for after your death is something most of us procrastinate on, and for some of us, we would much rather get a root canal than deal with such a daunting task. Sadly, this was only the beginning of the iceberg that hit the family ship.

This doesn’t need to be the case for you, though. My hope is that if you picked up this book, it helps guide you to a deeper

understanding of your retirement and financial planning needs, and ultimately to your goals beyond.

My beloved parents, Darwin and Jeanne, at their wedding.

CHAPTER 1

Longevity

You would think the prospect of the grave would loom more frightening as we age, yet many retirees say their number one fear is actually running out of money in their twilight years.[1] This fear is, unfortunately, justified, in part, because of one significant factor: We're living longer.

According to the Social Security Administration, in 1950, the average life expectancy for a sixty-five-year-old man was seventy-eight, and the average for a sixty-five-year-old woman was eighty-one. In 2021, those averages were eighty-three and eighty-eight, respectively.[2]

The bottom line of many retirees' budget woes comes down to this: They just didn't plan to live so long. Now, when we are younger and in our working years, that's not something we necessarily see as a bad thing; don't some people fantasize about living forever or, at least, reaching the ripe old age of one hundred?

However, with a longer lifespan, as we near retirement, we face a few snags. Our resources are finite—we only have so much money to provide income—but our lifespans can be

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[1] Liz Weston. nerdwallet.com. March 25, 2021. "Will You Really Run Out of Money in Retirement?"
https://www.nerdwallet.com/article/finance/will-you-really-run-out-of-money-in-retirement

[2] Social Security Administration. 2011 Trustees Report. "Actuarial Publications: Cohort Life Expectancy."
https://www.ssa.gov/OACT/TR/2011/lr5a4.html

unpredictably long, perhaps longer than our resources allow. Also, longer lives don't necessarily equate with healthier lives. The longer you live, the more money you will likely need to spend on health care, even excluding long-term care needs like nursing homes.

You will also run into inflation. If you don't plan to live another twenty-five years but end up doing so, inflation at an average 3 percent will approximately double the price of goods over that time period. Put a harsh twist on that and the buying power of a ninety-year-old will be half of what they possessed if they retired at sixty-five.[3] And this is before you count the expenses of any potential health care or long-term care needs.

Because we don't necessarily get to have our cake and eat it, too, our collective increased longevity hasn't necessarily increased the healthy years of our lives. Typically, our life-extending care most widely applies to the time in our lives where we will need more care in general. Think of common situations like a pacemaker at eighty-five, or cancer treatment at seventy-eight.

"Wow, Bryan," I can hear you say. "Way to start with the good news first."

I know, I've painted a grim picture, but all I'm concerned about here is cost. It's hard to put a dollar sign on life, but that is essentially what we're talking about when discussing longevity and finances. Living longer isn't a bad thing; it just costs more, and one key to a sound retirement strategy is preparing for it in advance.

So, with the help of family and close friends, my mom transitioned to widowhood. A couple of years later, she moved to Leisure World, a retirement community where she had close friends that had moved there beforehand. After a rocky start to her golden years without the love of her life by her side, she learned how to be on her own and adjusted to her new normal.

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[3] Bob Sullivan, Benjamin Curry. Forbes. April 28, 2021. "Inflation And Retirement Investments: What You Need to Know." https://www.forbes.com/advisor/retirement/inflation-retirement-investments/

I remember shortly after moving to her new house, we were sitting down having coffee and she said, “Honey, just one look around this place was enough to snap me back to reality. I am probably going to be here for a while, and I need to be smart about it.” Well, she was right on the money with that assessment. She found herself surrounded by a sisterhood of widows. Ladies much older than she was, that had outlived their husbands by ten, fifteen, some even twenty years! Suddenly, the realization of longevity hit her straight on.

One woman I know illustrates this picture perfectly. Her mother passed away in her late seventies after years of suffering from Alzheimer’s disease. Her father died at eighty from cancer. With modern medicine and treatment, this woman survived two rounds of breast cancer, lived with diabetes, and relied on a pacemaker, extending her life to age eighty-eight, nearly a decade beyond what she anticipated. However, she and her husband had saved and planned for “just in case,” trying to be prepared if they had to move, needed nursing home care, or needed to help children and grandchildren with their expenses. One of their “just-in-case” scenarios was living much longer than they anticipated. The last six years of her life were fraught with medical expenses, but she was also blessed with knowing her five great-grandchildren and deepening relationships with her children and grandchildren. She was able to pay for her own medical care, including her final two years in a nursing home, and her twilight years were truly golden.

From age eighty-five to eighty-eight, she was more socially active, with many visits from family and friends. She participated in more activities than she had in the seven years since her husband died. Her planning from decades earlier allowed her to pass on a legacy to her children when she passed away herself. The legacy she left behind can be measured both in dollar signs *and* in other intangible ways.

Living longer may be more expensive, but it can be so meaningful when you plan for your “just-in-cases.”

Retiring Later

Planning for a long life in retirement partly depends on when you retire. While many people end up retiring earlier than they anticipated—due to injuries, layoffs, family crises, and other unforeseen circumstances—continuing to work past age sixty (and even sixty-five) is still a viable option for others and can be an excellent way to help establish financial comfort in retirement.

There are many reasons for this. For one, you obviously still earn a paycheck and the benefits accompanying it. Medical coverage and beefing up your retirement accounts with further savings can be significant by themselves but continuing your income also should keep you from dipping into your retirement funds, further allowing them the opportunity to grow.

Additionally, for many workers, their nine-to-five job is more than just clocking in and out. Having a sense of purpose can keep us active physically, mentally, and socially. That kind of activity and level of engagement may also help stave off many of the health problems that plague retirees. Avoiding a sedentary life is one of the advantages of staying plugged into the workforce, if possible.

We have a client, who we'll call Fred, who worked for the Department of Defense for forty-nine years. Yes, you read that correctly: forty-nine years! Finally, he retired in 2011 at the tender age of seventy-two, and boy did he leave quite the legacy at his office. He was everyone's go-to person for decades. Fred and his wife, Helen, both enjoyed their careers and stayed working for as long as they felt comfortable. To them, work was fulfilling and not just a job. For Fred, it was perhaps more of a hobby. Work connected them to their peers, kept them active, and gave them purpose. Fast forward to today, Fred is happily plugging along. A little physically slower than before, but still sharp as a tack and always up for a good joke. They moved to the eastern shore to be close to family and enjoy the quiet beach life. Fred and Helen were both able to retire on their terms.

While working until the age of seventy-two is certainly not an everyday thing, if it's something you want to do because you enjoy doing what you do, then that's fantastic! The key here is having the choice to do so, and not because you have to.

Health Care

Take a second to reflect on your health care plan. Although working up to or even past age sixty-five would allow you to avoid a coverage gap between your working years and Medicare, that may not be an option for you. Even if it is, when you retire, you will need to make some decisions about what kind of insurance coverage you may need to supplement your Medicare. Are there any medical needs you have that may require coverage in addition to Medicare? Did your parents or grandparents have any inherited medical conditions you might consider using a special savings plan to cover?

These are all questions that are important to review with your financial professional so you can be sure you have enough money put aside for health care.

Long-Term Care

Longevity means the need for long-term care is statistically more likely to happen. If you intend to pass on a legacy, planning for long-term care is paramount, since most estimates project nearly 70 percent of Americans will need some type of it.[4] However, this may be one of the biggest, most stressful pieces of longevity planning I encounter in my work. For one thing, who wants to talk about the point in their lives when they may feel the most limited? Who wants to dwell on what will happen if they no longer can toilet, bathe, dress, or feed themselves?

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[4] LongTermCare.gov. February 18, 2020. "How Much Care Will You Need?" https://acl.gov/ltc/basic-needs/how-much-care-will-you-need

I get it; this is a less-than-fun part of planning. But a little bit of preparation now can go a long way!

When it comes to your longevity, just like with your goals, one of the important things to do is sit and dream. It may not be the fun, road-trip-to-the-Grand-Canyon kind of dreaming, but you can spend time envisioning how you want your twilight years to look.

For instance, if it is important for you to live in your home for as long as possible, who will provide for the day-to-day fixes and to-dos of housework if you become ill? Will you set aside money for a service, or do you have relatives or friends nearby whom you could comfortably allow to help you? Do you prefer in-home care over a nursing home or assisted living? This could be a good time to discuss the possibility of moving into a retirement community versus staying where you are or whether it's worth moving to another state and leaving relatives behind.

These are all important factors to discuss with your spouse and children, as *now* is the right time to address questions and concerns. For instance, is aging in place more important to one spouse than the other? Are the friends or relatives who live nearby emotionally, physically, and financially capable of helping you for a time if you face an illness?

Many families I meet with find these conversations very uncomfortable, particularly when children discuss nursing home care with their parents. A knee-jerk reaction for many is to promise they will care for their aging parents. This is noble and well-intentioned, but there needs to be an element of realism here. Does "help" from an adult child mean they stop by and help you with laundry, cooking, home maintenance, and bills? Or does it mean they move you into their spare room when you have hip surgery? Are they prepared to help you use the restroom and bathe if that becomes difficult for you to do on your own?

I don't mean to discourage families from caring for their own; this can be a profoundly admirable relationship when it works out. However, I've seen families put off planning for late-in-life care based on a tenuous promise that the adult children

would care for their parents, only to watch as the support system crumbles. Sometimes this is because the assumed caregiver hasn't given serious thought to the preparation they would need, both in a formal sense and regarding their personal physical, emotional, and financial commitments. This is often also because we can't see the future: Alzheimer's disease and other maladies of old age can exact a heavy toll. When a loved one reaches the point where he or she is at risk of wandering away or needs help with two or more activities of daily living, it can be more than one person or family can realistically handle.

If you know what you want, communicate with your family about both the best-case and worst-case scenarios. Then, hope for the best, and plan for the worst.

Realistic Cost of Care

Wrapped up in your planning should be a consideration for the cost of long-term care. Although many of us will need some degree of long-term care—including the 30 percent of us who may need up to five years of facility care—60 percent of us underestimate the costs of nursing home care. On average, consumers underestimate the annual cost of a private room in a nursing home by 51 percent.[5]

Another piece of planning for long-term care costs is anticipating inflation. It's common knowledge that prices have been and keep rising, which will lower your purchasing power on everything from food to medical care. Long-term care is a big piece of the inflation-disparity pie, which is part of why many find their estimates of nursing home care widely miss the mark. According to one survey, people expected to pay around

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[5] Tamara E. Holmes. Yahoo Finance. July 24, 2019. "Consumers Underestimate Costs of Long-Term Care." https://finance.yahoo.com/news/consumers-underestimate-costs-long-term-173542918.html

$25,350 in annual out-of-pocket long-term care expenses, but, in reality, they'll more likely pay over $47,000.[6]

While local costs vary from state to state, here's the national median for various forms of long-term care (plus projections that account for a 3 percent annual inflation, so you can see what I'm talking about):[7]

Long-Term Care Costs: Inflation				
	Home Health Care, Homemaker Services	Adult Day Care	Assisted Living	Nursing Home (semi-private room)
Annual 2020	$54,912	$19,236	$51,600	$93,072
Annual 2030	$73,800	$25,848	$69,348	$125,076
Annual 2040	$99,180	$34,740	$93,192	$168,096
Annual 2050	$133,284	$46,692	$125,244	$225,912

Fund Your Long-Term Care

One critical mistake I see are those who haven't planned for long-term care because they assume the government will provide everything. But that's a big misconception. The government has two health insurance programs: Medicare and Medicaid. These can greatly assist you in your health care needs

[6] Moll Law Group. 2021. "The Cost of Long-Term Care." https://www.molllawgroup.com/the-cost-of-long-term-care.html

[7] Genworth Financial. June 2020. "Cost of Care Survey 2020." https://www.genworth.com/aging-and-you/finances/cost-of-care.html

in retirement but usually don't provide enough coverage to cover all your health care costs in retirement. My firm isn't a government outpost, so we don't get to make decisions when it comes to forming policy and specifics about either one of these programs. I'm going to give the overview of both, but if you want to dive into the details of these programs, you can visit www.Medicare.gov and www.Medicaid.gov.

Medicare

Medicare covers those aged sixty-five and older and those who are disabled. Medicare's coverage of any nursing-home-related health issues is limited. It might cover your nursing home stay if it is not a "custodial" stay, and it isn't long-term. For example, if you break a bone or suffer a stroke, stay in a nursing home for rehabilitative care, and then return home, Medicare may cover you. But, if you have developed dementia or are looking to move to a nursing facility because you can no longer bathe, dress, toilet, feed yourself, or take care of your hygiene, etc., then Medicare is not going to pay for your nursing home costs.[8]

Medicaid

Medicaid is a program the states administer, so funding, protocol, and limitations vary. Compared to Medicare, Medicaid more widely covers nursing home care, but it targets a different demographic: those with low incomes.

If you have more assets than the Medicaid limit in your state and need nursing home care, you will need to use those assets to pay for your care. You will also have a list of additional state-approved ways to spend some of these assets over the Medicaid limit, such as pre-purchasing burial plots and funeral expenses or paying off debts. After that, your remaining assets fund your nursing home stay until they are gone, at which point Medicaid will jump in.

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[8] Medicare.gov. "What Part A covers." https://www.medicare.gov/what-medicare-covers/part-a/what-part-a-covers.html

Some people aren't stymied by this, thinking they will just pass on their financial assets early, gifting them to relatives, friends, and causes so they can qualify for Medicaid when they need it. However, to prevent this exact scenario, Uncle Sam has implemented the look-back period. Currently, if you enroll in Medicaid, you are subject to having the government scrutinize the last five years of your finances for large gifts or expenses that may subject you to penalties, temporarily making you ineligible for Medicaid coverage.

So, if you're planning to preserve your money for future generations and retain control of your financial resources during your lifetime, you'll probably want to prepare for the costs of longevity beyond a "government plan."

Self-Funding

One way to fund a longer life is the old-fashioned way, through self-funding. There are a variety of financial tools you can use, and they all have their pros and cons. If your assets are in low-interest financial vehicles (savings, bonds, CDs), you risk letting inflation erode the value of your dollar. Or, if you are relying on the stock market, you have more growth potential, but you'll also want to consider the possible implications of market volatility. What if your assets take a hit? If you suffer a loss in your retirement portfolio in early or mid-retirement, you might have the option to "tighten your belt," so to speak, and cut back on discretionary spending to allow your portfolio the room to bounce back. But, if you are retired and depend on income from a stock account that just hit a downward stride, what are you going to do?

HSAs

These days, you might also be able to self-fund through a health savings account, or HSA, if you have access to one through a high-deductible health plan (you will not qualify to save in an HSA after enrolling in Medicare). In an HSA, any growth of your tax-deductible contributions will be tax-free, and any

distributions paid out for qualified health costs are also tax-free. Long-term care expenses count as health costs, so, if this is an option available to you, it is one way to use the tax advantages to self-fund your longevity. Bear in mind, if you are younger than sixty-five, any money you use for nonqualified expenses will be subject to taxes and penalties, and, if you are older than sixty-five, any HSA money you use for non-medical expenses is subject to income tax.

LTCI

One slightly more nuanced way to pay for longevity, specifically for long-term care, is long-term care insurance, or LTCI. As car insurance protects your assets in case of a car accident and home insurance protects your assets in case something happens to your house, long-term care insurance aims to protect your assets in case you need long-term care in an at-home or nursing home situation.

As with other types of insurance, you will pay a monthly or annual premium in exchange for an insurance company paying for long-term care down the road. Typically, policies cover two to three years of care, which is adequate for an "average" situation: it's estimated 70 percent of Americans will need about three years of long-term care of some kind. However, it's important to consider you might not be "average" when you are preparing for long-term care costs; on average, 20 percent of today's sixty-five-year-olds could need care for longer than five years.[9]

Now, there are a few oft-cited components of LTCI that make it unattractive for some:

- Expense — LTCI can be expensive. It is generally less expensive the younger you are, but a fifty-five-year-old couple who purchased LTCI in 2022 could expect to pay $2,080 each year for an average three-year coverage

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[9] LongTermCare.gov. February 18, 2020. "How Much Care Will You Need?" https://acl.gov/ltc/basic-needs/how-much-care-will-you-need

policy. And the annual cost only increases from there the older you are.[10]

- Limited options — Let's face it: LTCI may be expensive for consumers, but it can also be expensive for companies that offer it. With fewer companies willing to take on that expense, this narrows the market, meaning opportunities to price shop for policies with different options or custom benefits are limited.
- If you know you need it, you might not be able to get it — Insurance companies offering LTCI are taking on a risk that you may need LTCI. That risk is the foundation of the product—you may or may not need it. If you know you will need it because you have a dementia diagnosis or another illness for which you will need long-term care, you will likely not qualify for LTCI coverage.
- Use it or lose it — If you have LTCI and are in the minority of Americans who die having never needed long-term care, all the money you paid into your LTCI policy is gone.
- Possibly fluctuating rates — Your rate is not locked in on LTCI. Companies maintain the ability to raise or lower your premium amounts. This means some seniors face an ultimatum: Keep funding a policy at what might be a less affordable rate *or* lose coverage and let go of all the money they paid in so far.

After that, you might be thinking, "How can people possibly be interested in LTCI?" But let me repeat myself—as many as 70 percent of Americans will need long-term care. And, although only 8 percent of Americans have purchased LTCI, keep in mind the high cost of nursing home care. Can you afford $7,000 a month to put into nursing home care and still have

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[10] American Association for Long-Term Care Insurance. January 12, 2022. "2022 National Long-Term Care Insurance Price Index." https://www.aaltci.org/long-term-care-insurance/learning-center/ltcfacts-2022.php

enough left over to protect your legacy? This is a very real concern considering one set of statistics reported a two-in-three chance that a senior citizen will become physically or cognitively impaired in their lifetime.[11] So, not to sound like a broken record, but it is vitally important to have a plan in place to deal with longevity and long-term care if you intend to leave a financial legacy.

My mom purchased a long-term care policy a few years into widowhood. It was that coverage that allowed her to stay home for as long as she could and have 24-hour in-home care without the worry of how to pay for it during that last year of her life. But see, she was one of the 70 percent that needed long-term care. For her, staying independent and not being a burden on us kids was a priority. So having long-term care insurance coverage was a good choice; she used it and all the money paid into it did not go to waste.

However, this may not be the case for everyone. Therefore, it's important to look at all your options and be open-minded about your planning needs.

A few relevant statistics to keep in mind:

- The longer you live, the more likely you are to continue living; the longer you live, the more health care you will likely need to pay for.
- The average cost of a private nursing home room in the United States in 2020 was $8,821 a month.[12] But keep in mind, that is just the nursing home—it doesn't include other medical costs, let alone pleasantries, like entertainment or hobby spending.
- In 2020, Fidelity calculated that a healthy couple retiring at age sixty-five could expect to pay around $300,000 over the course of retirement to cover health and medical expenses.

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[11] payingforseniorcare.com. 2022. "Long-Term Senior Care Statistics" https://www.payingforseniorcare.com/statistics

[12] Genworth Financial. February 12, 2021. "Genworth 2020 Cost of Care Survey." https://www.genworth.com/aging-and-you/finances/cost-of-care.html

- The average man will need $143,00, and the average woman needs about 10 percent more, or $157,000, because of women's longer life expectancies.[13]

Product Riders

LTCI and self-funding are not the only ways to plan for the expenses of longevity. Some companies are getting creative with their products, particularly insurance companies. One way they are retooling to meet people's needs is through optional product riders on annuities and life insurance. Elsewhere in this book, I talk about annuity basics, but here's a brief overview: Annuities are insurance contracts. You pay the insurance company a premium, either as a lump sum or as a series of payments over a set amount of time, in exchange for guaranteed income payments. One of the advantages of an annuity is it has access to riders, which allow you to tweak your contract for a fee, usually about 1 percent of the contract value annually. One annuity rider some companies offer is a long-term care rider. If you have an annuity with a long-term care rider and are not in need of long-term care, your contract behaves as any annuity contract would—nothing changes. Generally speaking, if you reach a point when you can't perform multiple functions of daily life on your own, you notify the insurance company, and a representative will turn on those provisions of your contract.

Like LTCI, different companies and products offer different options. Some annuity long-term care riders offer coverage of two years in a nursing home situation. Others cap expenses at two times the original annuity's value. It greatly depends. Some people prefer this option because there isn't a "use-it-or-lose-it" piece; if you die without ever having needed long-term care, you still will have had the income benefit from the base contract. Still, as with any annuities or insurance contracts,

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[13] Elizabeth O'Brien. Money. May 10, 2021. "Health Care Now Costs Couples $300,000 in Retirement, According to Fidelity's Latest Estimate." https://money.com/health-care-costs-retirement-fidelity-2021-study/

there are the usual restrictions and limitations. Withdrawing money from the contract will affect future income payments, early distributions can result in a penalty, income taxes may apply, and, because the insurance company's solvency is what guarantees your payments, it's important to do your research about the insurance company you are considering purchasing a contract from.

Understandably, a discussion on long-term care is bound to feel at least a little tedious. Yet, this is a critical piece of planning for income in retirement, particularly if you want to leave a legacy.

Spousal Planning

Here's one thing to keep in mind no matter how you plan to save: Many of us will be planning for more than ourselves. Look back at all the stats on health events and the likelihood of long life and long-term care. If they hold true for a single individual, then the likelihood of having a costly health or long-term care event is even higher for a married couple. You'll be planning for not just one life, but two. So, when it comes to long-term care insurance, annuities, self-funding, or whatever strategy you are looking at using, be sure you are funding longevity for the both of you.

Healthcare planning is one of the key areas I help my clients plan for by creating a strategy to help them address rising healthcare costs and analyzing the best options for their unique situation. Unfortunately, for many folks, ignoring this essential part of the retirement planning puzzle may put their entire retirement at risk.

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About the Author

Bryan Slovon, MRFC®, CEP®, is founder and CEO of Stuart Financial Group, an independent financial planning firm exclusively serving retirees and soon-to-be retirees in the D.C. Metro area.

He is a financial planner focused on helping his clients own their retirement readiness and reach their retirement goals with peace of mind. He has been featured in the Wall Street Journal, Kiplinger's Personal Finance, Financial Planning, OnWallStreet, Investor's Business Daily, and other local and national media.

Bryan currently holds his securities Series 65 license; he is a Master Registered Financial Consultant® as well as a Certified Estate Planner®, offering investment advisory services through J.W. Cole Advisors, Inc. (JWCA). Bryan is a fiduciary advisor; legally and ethically obligated to act in the best interest of his clients.

Bryan is a native Washingtonian; he and his business partner and wife Lucy live in Montgomery County, MD, along with their dogs Coco and Leo.