

Long-Term Care Insurance (LTCI)

# MetLife ExecutiveCare<sup>SM</sup>

Metropolitan Life Insurance Company (MetLife)

# MetLife<sup>®</sup>



an  
*executive*  
benefits  
program

# how our *plan* benefits you

## Benefits for the Employer

- Helps RECRUIT top talent by offering a sought-after executive benefit program.
- Gives employers the FLEXIBILITY to include select employees without violating any anti-discrimination laws.
- The program can include owner-employees, spouses and dependents.
- ExecutiveCare<sup>SM</sup> offers the same FAVORABLE TAX ADVANTAGES as major medical insurance.<sup>(3)</sup>
- May allow for a 100% DEDUCTION if the qualified Long-Term Care Insurance premiums are paid by the business for employees, their spouses and dependents.<sup>(3)</sup>
- Helps AVOID potentially costly business disruptions.



## Benefits for the Employee

- Rewards and recognizes key executives for their hard work and dedication.
- Provides one of the most DESIRED BENEFITS for employees and their families.<sup>(1)</sup>
- Premiums paid by the business generally do not count as income for the employee.<sup>(3)</sup>
- Benefits received for long-term care services are GENERALLY TAX-FREE.<sup>(3)</sup>
- Helps ease the financial and emotional strain of caring for a loved one.
- Offers employees a way to help prevent family and friends from being burdened with their care should the need arise.



<sup>(3)</sup> The federal tax law limits the amount of per diem type benefits that may be received tax-free under a qualified Long-Term Care Insurance policy.



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## The Concern

Businesses today face a myriad of challenges on a daily basis — competition, business planning, staffing, productivity, cost containment, etc. Some of the biggest obstacles these businesses face are recruiting, developing and maintaining a nucleus of key executives who confront day-to-day business challenges and position the company for future success. Business owners can ill afford to spend years attracting and cultivating key employees only to lose them to an industry rival.

## The Solution

One of the best ways to recruit and retain key employees is through a competitive compensation and benefits package. That's why it is critical for businesses to stay abreast of the latest developments in executive benefit programs.

As a result of the trend towards increasing longevity in America, Long-Term Care Insurance has changed from a unique corporate benefit to an essential one. In fact, in two different surveys, Long-Term Care Insurance has been identified as the most-requested component of an overall compensation package.<sup>(1)</sup> Augmenting your existing executive benefit program with MetLife's ExecutiveCare<sup>SM</sup> Long-Term Care Insurance, an executive benefit program for employees and their spouses, may be essential to helping ensure that your key employees are with you for years to come. What's more, there can be considerable tax advantages<sup>(2)</sup> to your employees and to your company.

(1) Insurance Schools, "Part VI: Long-term care insurance as an employee benefit," in Long-Term Care Insurance. Available at: [http://www.insurance-schools.com/LTC\\_pdf/LTC\\_CE\\_part6.pdf](http://www.insurance-schools.com/LTC_pdf/LTC_CE_part6.pdf). Accessed July 29, 2004.

(2) Employers should consult with their own Tax/ERISA counsel to determine whether ERISA applies to their program and the plan requirements under ERISA and the Internal Revenue Code. Employers should consult with their own Tax/ERISA counsel prior to purchase. The Internal Revenue Code imposes limitation on deduction of premiums paid under accelerated payment plans. Other limitations on deductibility of premiums paid may apply.

## Why Extend The Program To Spouses?

Employee productivity may be adversely affected by caring for a loved one. According to one survey:<sup>(1)</sup>

- 56% said they were less productive at work.
- 51% had to take time off during the work day.
- 30% reported being absent for at least a full day.
- 10% had to give up work entirely.
- \$11 billion to \$29 billion in lost productivity annually.



## How The MetLife ExecutiveCare<sup>SM</sup> Program Works

1. The employer selects the key employee(s) who will participate in the program and agrees to pay the premiums on their individual Long-Term Care Insurance policies. The employee owns the policy.
2. The employer pays the premiums directly to the insurance company.
3. The corporation may deduct premiums paid as a business expense.
4. Self-employed owners may deduct a portion of the premiums paid on their own behalf.





## Long-Term Care Insurance (LTCI) Tax Benefit Summary\*

	C-Corporation	S-Corporation Applies to shareholders owning 2% or more (also includes Professional Corporations and Personal Service Corporations)	Partnerships Includes Family Limited Partnerships and Limited Liability Companies	Sole Proprietor
Corporate Tax Benefit	100% of premium is deductible	100% of "total" premiums paid for employees, spouses & dependents are deductible	100% of premium is deductible	100% of "total" premiums paid for employees, spouses & dependents are deductible
Personal Tax Benefit For Owner(s) <sup>(5)</sup>	None	Owners of 2% or more can deduct 100% of "eligible" premiums paid for themselves, their spouses & dependents on their personal tax returns	Partners can deduct 100% of eligible premiums paid for themselves, spouses & dependents on their personal tax returns	The Owner can deduct 100% of "eligible" premiums paid for himself/herself, spouse & dependents on personal tax return
Income Tax To Employee	Generally no income tax to employees	Generally no income tax to employees	Generally no income tax to employees	Generally no income tax to employees
Income Tax To Owners	Generally no income tax to owners	Premiums paid on behalf of 2% or more owners, their spouses and dependents are treated as taxable income to the owners	Premiums paid on behalf of Partners, their spouses and dependents are treated as taxable income to the Partners	Generally no income tax to owner
Taxation Of Benefits Received	Generally tax free. May be taxable if per diem is received in excess of Qualified LTCI expenses incurred and/or Internal Revenue Code maximum	Generally tax free. May be taxable if per diem is received in excess of Qualified LTCI expenses incurred and/or Internal Revenue Code maximum	Generally tax free. May be taxable if per diem is received in excess of Qualified LTCI expenses incurred and/or Internal Revenue Code maximum	Generally tax free. May be taxable if per diem is received in excess of Qualified LTCI expenses incurred and/or Internal Revenue Code maximum

\* Employers should consult with their own tax and legal advisors.

(5) No deduction allowed on coverage for the owner, spouse or dependents if the owner is eligible to participate in any other employer subsidized (wholly or partially paid by an employer) plan including that of a spouse's employer.

The Metropolitan Life Insurance Company's ("MetLife") Long-Term Care Insurance policies are guaranteed renewable. This means that once a policy is issued, it cannot be cancelled due to an increase in your age or a change in your health. Premium rates can only be raised as the result of a rate increase made on a class-wide basis in the state where the policy is issued and approved by the Department of Insurance.

Like most Long-Term Care Insurance policies, MetLife's policies contain certain exclusions, limitations, elimination periods, reductions of benefits and terms for keeping them in-force. For complete costs and details, please contact your MetLife Representative/Insurance Agent/Producer.

This advertisement describes coverage offered by MetLife. Depending upon state availability, coverage may be offered by the following MetLife policies: LTC-VAL, LTC-IDEAL, LTC-PREM, LTC-FAC, LTC2-VAL, LTC2-IDEAL, LTC2-PREM, LTC2-FAC. In some states, coverage may be offered by the above-referenced policy number followed by the state's 2-letter abbreviation; the state's 2-letter abbreviation plus "ML" for Multi-Life policies; or the state's 2-letter abbreviation plus "P" for Partnership policies.

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**MetLife®**

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