

## **Pro-Text**

By Darren Reith

### **Who Will Be Looking After You?**

You've invested wisely and safeguarded your loved ones with disability income protection and life insurance, but have you thought to plan for long-term care (LTC), one of the fastest growing health issues facing individuals today? You may have heard the term before, but how much do you know about it? Many people don't have all of the information they need about this important subject.

So, what is long-term care? LTC is the assistance needed when someone suffers from a severe cognitive impairment or needs help performing activities of daily living such as: dressing, bathing, going to the bathroom, eating or moving about. Long-term care is not limited to the sick or elderly and may be part of your recovery from an accident or as a result of an extended period of disability.

If you've cared for an aging parent, child or someone else close to you with a debilitating injury or illness, you are aware of the ramifications of LTC. Even if you haven't experienced a LTC situation firsthand, you can appreciate the financial consequences that can result from lack of preparation.

Many people prefer to be cared for by someone they know, so it's not surprising that family members and friends tend to be the primary caregivers. Could you afford to take leave from work or your practice to care for a loved one?

The costs of long-term care are high. Many of us assume that the health care system will cover this type of care. While the government provides us with many important medical services, LTC is not considered medical care, but rather custodial care, and is not fully covered by the government. The reality is that individuals and families pay for significant portions of LTC costs. Over an extended period of time, in-home care costs can compound, stressing or draining even the healthiest portfolio. Fortunately, there is a solution – the Long Term Care Plan.

Long-Term Care offers two design options, each with value-added benefits, allowing you to tailor a plan to meet your needs, lifestyle and budget. Without it, prolonged expenses can add up quickly, depleting your savings, retirement funds, and other investments. Is that the type of change that you want to take? After all, you're not done chasing your dreams, are you?

Here are some interesting and informative facts from Statistics Canada:

- Canadians over the age of 65 have a 40% risk of entering a nursing home for LTC services.
- By age 80, 1 out of 3 men, and 4 out of every 10 women will spend some time in a nursing home.
- Over 35,000 nursing home residents in Canada are under the age of 65.
- Over 4 million Canadians are currently unpaid caregivers.
- 1 in 4 Canadians between the ages of 45 and 54 care for an elderly parent.

The cost of LTC at home can range from \$10 for homemaking services to \$25 per hour for a health care aide. 24-hour in-home nursing can cost up to \$122,000 per year. A private assisted-living facility can cost you approximately \$4,500 to \$7,500 per month.

Here are a couple of examples:

A 69 year-old couple has \$1,000,000 of assets and draws an income of \$75,000 per year. Their LTC expenses are \$50,000 per year for 5 years. Without Long Term Care Plan coverage their assets are exhausted by age 83. With Long Term Care Plan coverage the couple still has close to \$500,000.

Tom, 48, fell off a ladder cleaning his eavestrough. He is left with no feeling in his legs. Tom's wife works part-time and his son is still in high school. To manage Tom's care, the family will need:

- Home Modifications - \$4,000 to \$25,000
- Stair Climbing Wheelchair - \$12,000
- Home Health Aide - \$30-\$40/hour
- Adult Day Care - \$10-\$25 for 6-hour periods

For more information on the Long Term Care Plan, contact Darren Reith at 519-631-3862 or at [info@reithandassociates.com](mailto:info@reithandassociates.com).