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**Harmony Wealth  
Strategies**

BUILDING AND SAFEGUARDING  
YOUR FINANCIAL WORLD

# Can I deduct premiums paid for long-term care insurance (LTCI)?





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It depends on several factors. Your LTCI contract must be a qualified one, you must itemize deductions on Schedule A of IRS Form 1040, and the total of your medical expenses (including your LTCI deduction) must exceed 7.5 percent of your adjusted gross income (AGI). Qualified LTCI premiums are deductible as medical expenses (subject to the 7.5 percent of AGI floor) within certain limits, based on your age.

Note: The threshold to deduct medical expenses is 7.5 percent of AGI.

If you bought your policy before January 1, 1997, and it met the requirements of the state in which it was issued, it is automatically considered a qualified policy. LTCI contracts issued subsequently are only considered qualified for a tax deduction if they meet certain federal standards. Qualified LTCI premiums are deductible as medical expenses (subject to the 7.5 percent of AGI floor) within the following limits, based on your age at the end of the tax year:

Age:	Limit on Deduction:
40 or less	\$450 (up from \$430 in 2020)
41-50	\$850 (up from \$810 in 2020)
51-60	\$1,690 (up from \$1,630 in 2020)
61-70	\$4,520 (up from \$4,350 in 2020)
71 and older	\$5,640 (up from \$5,430 in 2020)

For more information, consult a tax professional.

## IMPORTANT DISCLOSURES

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