



# What kind of life is left in your years?

A little planning now is a step in the right direction as you head into your later years.

## Here's the problem ...

You've worked hard all your life to achieve your personal and financial goals. You want to enjoy a comfortable retirement and pass on a financial legacy to those you care about.

The reality for most of us is that there's a very good chance our health and/or our spouse's health will change during our retirement years and we'll require nursing services and/or long term care. Will the retirement nest egg you've built be adequate to cover unplanned expenses? Imagine what the costs would be? Will there be enough money? And what about that legacy you'd like to leave your loved ones?

## What are your options?

To create an effective plan, you need to first understand the issues, then consider your options and finally, implement the solution that will best protect both you and your family.

To pay for future long term care needs, you or your family can:

- Sell your assets as needed, or
- Purchase long term care insurance now to cover unexpected care costs

## Are you a candidate?

You may want to consider a long term care insurance policy, if you:

- Are a Canadian-resident taxpayer and in good health
- Have accumulated assets that may include:
  - a personal residence or other real estate
  - shares in a family or private business
  - public company shares
  - RRSP/RRIF assets
  - interest-bearing investments
  - mutual funds
- Want to protect your financial resources
- Want to avoid being a financial burden on your family
- Are receptive to long term planning strategies

## An example

Jeannette is 55 years old. She owns her own home, a term deposit, a small stock portfolio and some registered funds. She intends to contribute to her investments until age 65. At age 65, she wants to retire with an annual income of \$50,000 paid out of these assets. Since her mother is currently living in a long term care facility, she anticipates that she may need long term care for six years, perhaps starting at age 80.

In 25 years when Jeannette turns 80, long term care costs are estimated to be over \$49,000 each year.

The following example shows the positive impact long term care insurance can have on the future value of her assets by calculating the insurance costs and long term care costs and deducting the retirement income amounts. This example assumes a personal tax rate of 30% and that 50% of the capital gain is taxable.

Asset	Market Value Today	Growth Rate	Future Value Age 86 No Care Required No Insurance	Future Value Age 86 Care Required No Insurance	Future Value Age 86 Care Required With Insurance
Personal residence	\$250,000	1.00%	\$340,332	\$88,587	\$340,332
Term deposit	\$120,000	3.50%	\$111,764	\$0	\$0
Stock portfolio	\$60,000	4.00%	\$10,752	\$0	\$0
RRSP/RRIF	\$110,000	6.00%	\$15,869	\$0	\$440
<b>Total future value</b>			<b>\$478,717</b>	<b>\$88,587</b>	<b>\$340,772</b>

## The best solution ... protect your assets with long term care insurance

A long term care insurance policy can help protect you and your family from the financial impact of health care services and long term care. It provides you with cash when you need it.

Contact your advisor to discuss this innovative retirement planning tool.

## LivingCare: Today's choice and flexibility bring tomorrow's peace of mind.

LivingCare, Manulife's long term care insurance product, is a simple, affordable solution that helps you pay the costs associated with long term care. It's built to give you as many choices as possible, including:

- Individual coverage or shared coverage option for couples (married and common-law)
- Two optional riders – Inflation Protection Rider and Return of Premium On Death Rider
- Care where you choose – either at home or if you're in a facility, we'll double the benefit to help cover the generally higher costs
- Care Support Services – an extra benefit for you and your loved ones to help navigate the long term care delivery system in your local area.

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