

2024 Tax Deductible Limits Long-Term Care Insurance

The IRS has announced decreased 2024 tax deductible limits for long-term care insurance according to the American Association for Long-Term Care Insurance.

“This is a significant change in practice after yearly increases,” states Jesse Slome, director of the American Association for Long-Term Care Insurance. “The 2024 deductible limits are still significant and few people, especially business owners, are aware that premiums paid for long-term care insurance may be tax deductible.”

The just announced 2024 limits for an individual age 70 or more is \$5,880, according to AALTCI. The 2023 maximum deductible limit for that age band is \$5,960.

“This is still a significant tax deduction,” Slome explains. “Most policies are purchased by couples which means they could deduct up to \$11,760 next year depending on their age.”

Only long-term care policies that meet the federal government’s tax-qualified requirements qualify for a potential tax deduction, the long-term care insurance expert notes. “Most of the linked benefit or hybrid life insurance policies, the ones more popular today do not qualify for a possible tax benefit,” Slome notes.

“Two types of individuals can gain the most benefit from the IRS deductions,” Slome adds. “First business owners, who may be able to deduct the full cost of their insurance protection and have a paid-in-full policy when they reach retirement age.”

In addition, people who have retired from jobs can benefit. “That’s when income levels enable more people to reach the required health expense threshold to make premiums deductible,” Slome acknowledges. “That potential tax deduction can be a huge benefit after retirement and something seniors should take into consideration when looking into their long-term care protection options.”

2024 Maximum Deduction Limits Long-Term Care Insurance

The following are the new 2024 deductible limits per-individual (2023 limits in brackets):

Age in Tax year	2024 Deduction allowed	2023 Deduction Allowed
Under 40 years old	\$470	\$480
Ages 41 to 50	\$880	\$890
Ages 51 to 60	\$1,760	\$1,790
Ages 61 to 70	\$4,710	\$4,770
Over 70 years old	\$5,880	\$5,960