2025

Federal and state long-term care tax guide

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Introduction

This brochure presents an overview of the tax implications of qualified long-term care (LTC) premiums. It addresses the tax deductibility or exclusion of premiums paid and the exclusion of benefits from Adjusted Gross Income (AGI).

The information provided in this guide assumes the insured owns the qualified LTC contract.

This brochure is for informational purposes only and as such, clients should consult with their legal and tax professionals regarding tax issues or consequences.

Taxation of LTC benefits

The Internal Revenue Code (IRC) provides that tax-qualified LTC benefits are payments received from a health insurance contract in reimbursement for actual expenses for medical care. IRC §§104(a)(3), 105(b).

A tax-qualified LTC insurance policy and an LTC rider on a life insurance policy are considered “qualified long-term care insurance contracts” under §7702B(b) and (e). Therefore, the tax treatment of the benefit payments received are similar.

Reimbursement LTC benefits: All benefits from a tax-qualified LTC contract that reimburses actual expenses for qualified LTC services are generally income tax-free. IRC §§101(g), 7702B(d).

Indemnity (per diem) LTC benefits: All benefits from a tax-qualified LTC contract that pays a set dollar or “per diem” amount when the insured is chronically ill are generally income tax-free up to $420 per day in 2025. IRC §7702B(d); IRS Revenue Procedure 2024-40. If the benefits received exceed the per diem limitations, benefits are generally taxable only to the extent that they exceed their actual qualified long-term care expense. IRC §7702B(d).

Deductibility of LTC premiums

Long-term care (LTC) insurance: Tax-qualified LTC insurance is treated as an accident and health insurance contract. IRC §7702B(a)(1). Deductibility of LTC premiums depends on the type of taxpayer — individual or entity — taking the deduction.

Linked benefit with LTC extension of benefits: For linked-benefit products where the associated LTC insurance premiums are separate, identifiable and are not structured as a charge against the cash surrender value, a deduction may be available. Deductibility of LTC premiums depends on the type of taxpayer — individual or entity — taking the deduction.

Life insurance with an LTC rider: IRC §7702B(e) prohibits a deduction for LTC insurance premium payments when they are made as a charge against the cash surrender value of a life insurance contract. Therefore, when the LTC rider charge is applied to the cash surrender value, a tax deduction would not be available.

Individual purchase

Tax-qualified LTC premiums are considered medical expenses. For an individual who itemizes income tax deductions, medical expenses are deductible to the extent that they exceed 7.5% of the individual's adjusted gross income (AGI). The amount of the LTC premium treated as a medical expense is limited to the age-based, "eligible long-term care premiums" (eligible premium), as defined by IRC §213(d)(10). Any portion of the LTC premium that exceeds the eligible premium is not includable as a medical expense. Table 1[1] illustrates the allowable LTC premium deductions for 2025 based on insured's age.

Table 1

Age of insured before the close of the year	2025 eligible LTC premium
Ages 40 or less	$480
Ages 41 to 50	$900
Ages 51 to 60	$1,800
Ages 61 to 70	$4,810
Ages over 70	$6,020

Additional information about potentially deductible medical expenses is available in **IRS Publication 502, Medical and Dental Expenses**, including expenses incurred for a spouse, dependent or other qualifying individual.

The taxation of tax-qualified LTC benefits owned by the insured is generally discussed at **page 2** above.

Mechanics of the potential income tax deduction

For individuals who itemize their deductions (rather than taking the standard deduction).

Eligible LTC Premium +
Other Permissible Medical Expenses =
Total Medical Expenses **(A)**

7.5% of Adjusted Gross Income = **(B)**

(A) – (B) =
Potential Medical Expense Deduction Permitted

Self-employed

A self-employed individual can generally deduct 100% of their LTC premiums paid, up to the age-based eligible premium amounts listed in Table 1. IRC §162(l)(2)(C). The portion of LTC premiums that exceeds the eligible premium amount is not deductible as a medical expense. The deductible amount may also include eligible premiums paid for spouses and dependents. IRC §162(l). It is not necessary to meet the 7.5% AGI threshold to take a deduction.

However, a self-employed individual may not deduct LTC premiums during any calendar month in which they or their spouse are eligible to participate in an employer subsidized LTC insurance plan. A subsidized LTC insurance plan entails an employer paying part or all of the premiums for the LTC contract. Under IRC §162(l)(2)(B), for any month in which a self-employed individual is eligible to participate in an LTC insurance plan that is fully or partially paid either by the self-employed individual's employer or their spouse's employer, the self-employed individual is generally not eligible to take the self-employed insurance deduction for eligible LTC premiums paid under any LTC insurance plan.

Table 1

Age of insured before the close of the year	2025 eligible LTC premium
Ages 40 or less	$480
Ages 41 to 50	$900
Ages 51 to 60	$1,800
Ages 61 to 70	$4,810
Ages over 70	$6,020

Mechanics of the potential income tax deduction

Eligible LTC premiums =
Deduction permitted

Note: Self-employed individuals generally take eligible LTC premiums as an adjustment to income in Part II of Schedule 1 of Form 1040.

NOTE: Generally, benefits received from a tax-qualified LTC insurance contract that was purchased by an individual are non-taxable and therefore excluded from AGI.

Owners of pass-through entities

Partners of a partnership, members of an LLC that is taxed as a partnership, and shareholders/employees of subchapter S corporations who own more than 2% of the corporation[2] are considered self-employed individuals for tax purposes. In this scenario, the partnership, LLC, or subchapter S corporation pays the premium. Then the partner, member, or shareholder-employee must include the LTC premium paid for their benefit in their AGI, but may deduct up to 100% of the age-based eligible LTC premium amount, as listed in Table 1. It is not necessary to meet the 7.5% AGI threshold to take this deduction.

Table 1

Age of insured before the close of the year	2025 eligible LTC premium
Ages 40 or less	$480
Ages 41 to 50	$900
Ages 51 to 60	$1,800
Ages 61 to 70	$4,810
Ages over 70	$6,020

Mechanics of the potential income deduction

Eligible LTC premium =
Deduction permitted

NOTE: Generally, benefits received from a tax-qualified LTC insurance contract that was purchased by an individual are non-taxable and therefore excluded from AGI.

Subchapter C corporation

Employer

When a C corporation purchases a tax-qualified LTC contract on behalf of any of its employees, their spouses, or their dependents, the corporation is generally entitled to take a 100% deduction as an ordinary and necessary business expense on the total LTC premiums paid.[3] The deduction is not limited to the age-based eligible premium amounts listed in Table 1. IRC §162(a).

The purchase of a tax-qualified LTC contract is generally not subject to anti-discrimination rules. Therefore, an employer can be selective in the classification of employees it elects to cover (e.g., a select group of officers). However, due to the enactment of the Patient Protection and Affordable Care Act (PPACA), certain contracts may be subject to the nondiscrimination rules under IRC §105(h). Employers should consult with their tax and employee benefits, professionals to ensure compliance with any applicable nondiscrimination rules.

Employee[4]

The entire LTC premium amount paid by the corporation is excluded from the employee's AGI, even if the premium exceeds the eligible LTC premium amount listed in Table 1. IRC §§106, 7702B. This exclusion also applies to shareholder-employees (as long as they are treated as employees) in a subchapter C corporation and to shareholders/shareholder-employees who own 2% or less of a subchapter S corporation.

Mechanics of the potential income tax deduction *if paid by a Subchapter C corporation*

Total LTC premiums paid =
Deduction permitted

NOTE: Generally, benefits received under an employer-purchased tax-qualified LTC insurance contract are non-taxable and therefore excluded from the employee's AGI. IRC §§7702B, 104(a)(3) and 105.

Employer-pay contributory arrangement on behalf of an employee

If an employer pays all or a portion of the tax-qualified LTC insurance premiums on behalf of an employee, the amount paid is generally deductible by the employer as a business expense. IRC §162(a). The deduction is not limited by the age-based limits on eligible LTC premium listed in Table 1. The entire employer contribution would also be excluded from the employee's AGI.

If the employer only pays a portion of the premium, the employee is able to include the balance that they pay with their medical expenses, up to the eligible LTC premium amount (Table 1), and accordingly may be entitled to an itemized deduction for medical expenses that exceed 7.5% of AGI.

Table 1

Age of insured before the close of the year	2025 eligible LTC premium
Ages 40 or less	$480
Ages 41 to 50	$900
Ages 51 to 60	$1,800
Ages 61 to 70	$4,810
Ages over 70	$6,020

Mechanics of the *employee's* potential income tax deduction

For individuals who itemize their deductions (rather than taking the standard deduction).

Eligible LTC Premium +
Other Permissible Medical Expenses =
Total Medical Expenses **(A)**

7.5% of Adjusted Gross Income = **(B)**

(A) - (B) = Potential Medical Expense Deduction Permitted

Mechanics of the *employer's* potential income tax deduction

Total LTC Premium paid by Employer =
Business Expense Deduction Permitted

NOTE: Generally, benefits received under an employer-purchased tax-qualified LTC insurance contract are non-taxable and therefore excluded from the employee's AGI.

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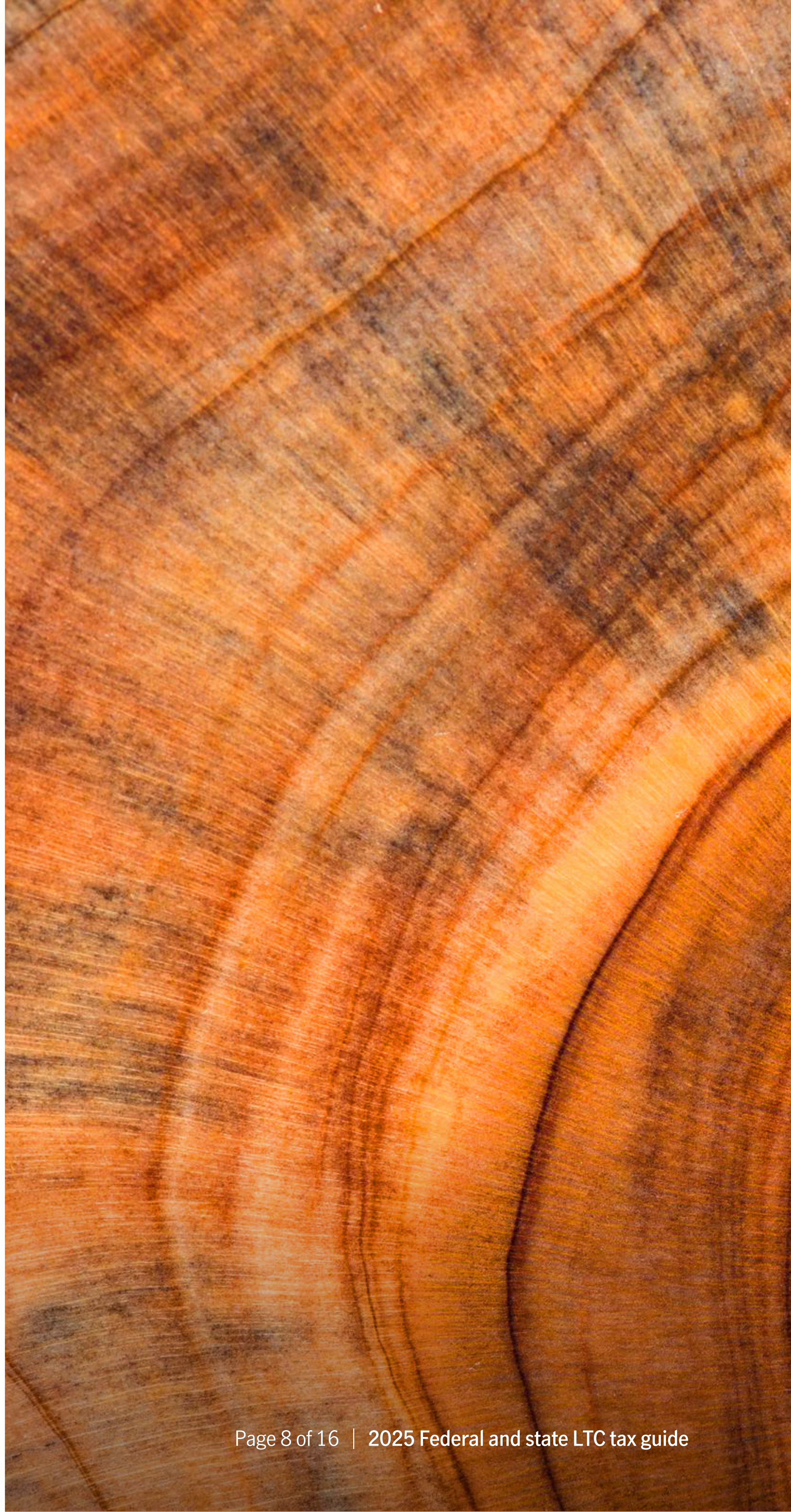
Gift tax exclusion

In addition to the annual gift tax exclusion of $19,000 (for 2025) per donee, a donor can also directly pay the service provider for the qualified medical expenses of a donee. IRC §2503(e). If those medical expenses are tax-qualified LTC premiums, the exclusion is subject to the age-based limits for eligible LTC premium amounts listed in Table 1. An individual (donor) can purchase LTC contracts for family members (donees) and, to the extent that the premiums don't exceed the eligible LTC premiums, the gift can still qualify for the IRC §2503(e) exclusion. If the donor pays more than the donee's eligible LTC premium, the excess amount will reduce the donor's annual gift tax exclusion.

Table 1

Age of insured before the close of the year	2025 eligible LTC premium
Ages 40 or less	$480
Ages 41 to 50	$900
Ages 51 to 60	$1,800
Ages 61 to 70	$4,810
Ages over 70	$6,020



Other considerations

Pension Protection Act of 2006 (PPA)

PPA includes provisions to encourage individuals to purchase qualified LTC insurance contracts by making it more tax favorable under certain circumstances, including IRC §1035 exchanges. A 1035 exchange permits owners of life insurance and nonqualified annuities to exchange all or a portion of their contracts for certain types of contracts, without being taxed on the unrealized gain at the time of transfer. Specifically, PPA allows tax-free 1035 exchanges of life insurance, endowment, and nonqualified annuity contracts for qualified LTC insurance contracts. For more information, please visit our [Because You Asked (BYA) on 1035 Exchanges.]

Return of Premium

Upon surrender or cancellation of the LTC contract during the insured's lifetime, any refund shall be included in gross income to the extent that any deduction or exclusion was allowable with respect to the premiums. IRC §7702B(b)(2)(C)

Upon death of the insured, any refund may be included in the beneficiary's gross income to the extent that it was either excluded from the owner's income or deducted by the owner.

The client should consult their tax professional for the tax consequences of any return of premium.

Health Savings Account (HSA)

Tax-qualified LTC premiums can be reimbursed through an HSA, tax-free, up to the eligible LTC premium amounts listed in Table 1, even if the HSA is offered through an employer-provided cafeteria plan. IRC §223(d)(2)

Table 1

Age of insured before the close of the year	2025 eligible LTC premium
Ages 40 or less	$480
Ages 41 to 50	$900
Ages 51 to 60	$1,800
Ages 61 to 70	$4,810
Ages over 70	$6,020

Health Reimbursement Account (HRA)

Reimbursements for medical care expenses, as defined in IRC §213(d), which include qualified LTC services and qualified LTC premiums, are allowable under an HRA. Although employers pay for HRAs, an HRA cannot be provided by salary reduction or IRC §125 plans.

Cafeteria Plan

Tax-qualified LTC contracts cannot be purchased with pre-tax dollars under an employer-provided cafeteria plan. IRC §125(f)(2) However, eligible LTC premiums may be paid through an HSA that is offered under an employer-provided cafeteria plan.

Flexible Spending Account (FSA)

Tax-qualified LTC premiums cannot be reimbursed through an FSA.

State tax incentives — 2025 tax year

The information provided in this chart is general and informational only. The information is not tax advice and does not guarantee that state incentives will be available. Individuals should consult their tax professional to determine if state tax incentives are available in their situation. This chart represents state law as it existed when this chart was created and may not reflect recent changes in state law. These citations included are subject to change by individual state revenue departments and you should consult your tax advisor to assure accuracy in determining a tax deduction or credit for state tax purposes.

Click below to jump to a specific state:

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Texas
Utah
Vermont
Virginia
Washington
West Virginia
Wisconsin
Wyoming

2025 state tax incentives, Alabama to Idaho

State	Credit, Deduction or Exemption	Summary
Alabama	Deduction	A deduction is allowed for the amount of premiums paid pursuant to a qualifying insurance contract for qualified LTC insurance coverage, subject to specified limitations. *Ala. Code §40-18-15(a)(26); Ala. Admin. Code r. §810-3-15-.26.*
Alaska	N/A	
Arizona	Credit	If an individual is not claiming itemized deductions on their Arizona tax return, the amount of premium costs for LTC insurance, as defined by Arizona law, shall be deducted from their Arizona gross income. *Ariz. Rev. Stat. Ann. §43-1022(23).*
Arkansas	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes for premiums paid for the purchase of qualified LTC insurance. *Ark. Code R. 1.26-51-423(a)(2).*
California	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes for premiums paid for the purchase of qualified LTC insurance. *Cal. Rev. & Tax. Code §17201.*
Colorado	Credit	State income tax credit equal to the lesser of 25% of premiums paid for an LTC insurance policy or $150 per policy. Individuals who qualify for the credit are those with federal taxable income less than $50,000 ($100,000 for joint filers claiming a credit for 2 policies). An LTC insurance policy must meet Colorado's definition of long-term care insurance. *C.R.S. §39-22-122.*
Connecticut	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *Conn. Gen. Stat. §12-701(a)(19).*
Delaware	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *30 Del. Code §§1105 and 1106.*
District of Columbia	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *D.C. Code §47-1803.03 (b).*
Florida	N/A	
Georgia	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *Ga. Code Ann. §48-7-27(a).*
Hawaii	Deduction	An individual state tax deduction is allowed for LTC insurance premiums. This deduction is limited in the same manner as the deduction on the federal level. *Haw. Rev. Stat. §235-2.3.*
Idaho	Deduction	Taxpayer may deduct premiums paid during the taxable year for LTC insurance that is for the benefit of the taxpayer, their dependent or employee, to the extent the premium is not otherwise deducted or accounted for Idaho income tax purposes. LTC insurance is defined by state law. *Idaho Code §63-3022Q.*

2025 state tax incentives, Illinois to Michigan

State	Credit, Deduction or Exemption	Summary
Illinois	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *35 ILCS 5/203(e)(1).*
Indiana	Deduction	An individual taxpayer is permitted to deduct an amount equal to the eligible portion of premiums paid during the taxable year by the taxpayer for a qualified LTC insurance policy (as defined in the Indiana Code) for the taxpayer, the taxpayer's spouse, or both. *I.C. §6-3-1-3.5(a)(12).*
Iowa	Deduction	Taxpayers aged 65 and older with a net income less than $100,000 may deduct premiums for LTC insurance, as defined under federal law, to the extent not otherwise deducted in computing federal taxable income. The deduction is not subject to the dollar limitation found in IRC §213(d)(10). *Iowa Code §422.7(18)(a); Iowa Admin. Code 701-302.48.*
Kansas	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *Kan. Stat. Ann. §§79-32,109(a) 79-32,116 and 79-32,117.*
Kentucky	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes for premiums paid for the purchase of qualified LTC insurance. *Ky. Rev. Stat. Ann. § 141.019.*
Louisiana	Deduction	
Maine	Credit & Deduction	**Credit:** An employer providing long-term care benefits to its employees may qualify for a tax credit. A credit is allowed against the tax imposed for each taxable year equal to the lowest of the following: (A) $5,000; (B) 20% of the costs incurred by the taxpayer in providing LTC insurance contract coverage as part of the benefit package; or (C) $100 for each employee covered by an employer-provided LTC insurance contract. LTC insurance must meet the definition in IRC §7702B(b) or be state-certified under *24-A M.R.S. §5075- A. 36 M.R.S. §5217-C.* **Deduction:** A taxpayer may deduct any premiums for qualified LTCI, reduced by any premiums deducted from federal income tax and by premiums claimed as an itemized deduction pursuant to state law. *36 M.R.S. §§5122(2)(L) and 5125.*
Maryland	Credit	A credit is allowed against the state income tax for employers providing LTC insurance, as defined by state law, up to an amount equal to 5% of the costs incurred by the employer during the taxable year for providing LTC insurance as a part of an employee benefit package. The credit may not exceed $5,000 or $100 for each employee covered. *Md. Code, Tax-Gen. §10-710.* A credit is allowed against the state income tax in an amount equal to 100% of the eligible federally qualified LTC insurance premiums covering the individual, spouse, parent, stepparent, child, or stepchild, not to exceed $500 per insured. *Md. Code, Tax-Gen §10-718.*
Massachusetts	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *M.G.L. c. 62, §§1(c) and 3(B)(b)(4).*
Michigan	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *MCL §206.30.*

2025 state tax incentives, Minnesota to New Jersey

State	Credit, Deduction or Exemption	Summary
Minnesota	Credit & Deduction	**Credit:** A taxpayer is allowed a tax credit for premiums paid during the tax year for LTC insurance (as defined under Minnesota law). The credit for each policy is equal to the lesser of 25% of premiums paid to the extent not deducted in determining federal taxable income OR $100. Maximum allowable credit per year is $200 for couples filing jointly and $100 for all other filers. Any unused tax credit may not be carried forward to future tax years. No credit is allowed if the taxpayer deducted the premium amounts when net taxable income was calculated or the premiums were excluded from net taxable income. *Minn. Stat. §290.0672.* **Deduction:** Taxpayers may take an itemized deduction for medical expenses that exceed 10% of their AGI. *Minn. Stat. §290.0122.*
Mississippi	Credit	A credit is allowed against income taxes in an amount equal to 25% of the premium costs paid during the taxable year for a qualified LTC insurance policy that offers coverage to either the individual, spouse, parent or parent-in-law, or dependent. The credit shall not exceed $500 or the taxpayer's income tax liability, whichever is less, for each qualified LTC insurance policy. Any unused tax credit may not be carried forward to future tax years. No credit is allowed if the taxpayer deducted the premium amounts when net taxable income was calculated or the premiums were excluded from net taxable income. *Miss. Code. Ann. §27-7-22.33.*
Missouri	Deduction	Allows a deduction of 100% of premiums paid for qualified long-term care insurance to the extent the premiums were not reimbursed or included in the individual's itemized deductions. Itemized deductions are calculated the same as for federal income tax purposes. *Mo. Rev. Stat. §§135.096, 143.141.*
Montana	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *Mont. Code Ann. §15-30-2101(22).*
Nebraska	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *Neb. Rev. Stat. §77-2716.*
Nevada	N/A	
New Hampshire	N/A	
New Jersey	Deduction	Allows a deduction for medical expenses (including LTC insurance premiums) for taxpayers, their spouses or dependents to the extent such expenses exceed 2% of taxpayer's gross income. *N.J. Stat. Ann. §54A:3-3.*

2025 state tax incentives, New Mexico to Oregon

State	Credit, Deduction or Exemption	Summary
New Mexico	Credit, Deduction & Exemption	**Credit:** Allows taxpayers 65 and older and not a dependent of another taxpayer to claim a credit of $2,800 for medical care expenses, which include LTC insurance premiums, paid for the taxpayer, spouse, or dependents if expenses equal $28,000 or more within a taxable year and if expenses are not reimbursed or compensated. *N.M. Stat. Ann. §7-2-18.13.* **Deduction:** Permits the same tax deduction as is allowed for federal income tax purposes for premiums paid for the purchase of qualified LTC insurance. *NM. Stat. Ann. §7-2-2(N).* **Exemption:** Taxpayers 65 and older are entitled to an exemption of $3,000 for medical care expenses, which include LTC insurance premiums, if such expenses equal $28,000 or more within a taxable year and are unreimbursed or uncompensated. *N.M. Stat. Ann. Sec. 7-2-5.9.*
New York	Credit	A credit for personal income tax is allowed equal to 20% of the premium paid during the taxable year for qualified LTC insurance, up to $1,500. The credit is limited to taxpayers whose New York AGI is less than $250,000. Any excess credit may be carried forward. *N.Y. Tax Law §606(aa).* A credit is allowed against the corporate tax equal to 20% of the premiums paid during the taxable year for qualified LTC insurance. The credit may not reduce the tax payable to less than the state minimum tax, but any excess credit may be carried forward. *N.Y. Tax Law §210-B(14).* An S corporation is allowed a credit against personal income tax equal to 20% of the premium paid during the taxable year for qualified LTC insurance. *N.Y. Tax Law §606(i).*
North Carolina	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *N.C. Gen. Stat. §105-153.4(a).*
North Dakota	Credit & Deduction	**Credit:** Allows for a tax credit equal to premiums paid but not to exceed $250 per insured individual in each taxable year for state residents who paid premiums on a qualified long-term care partnership plan covering the taxpayer or their spouse. A qualified long-term care partnership plan is defined under state law. *N.D. Cent. Code §§57-38-30.3(7)(l); 57-38-29.3.* **Deduction:** Permits the same tax deduction as is allowed for federal income tax purposes. *N.D. Cent. Code §57-28-30.3(2).*
Ohio	Deduction	Permits a deduction for qualified LTC premiums paid for the taxpayer, their spouse and dependents, to the extent not otherwise deducted or excluded in computing federal or Ohio AGI. *Ohio Rev. Code Ann. §5747.01(A)(10)(a).*
Oklahoma	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *68 O.S. §2353.*
Oregon	Credit	A credit is allowed for amounts paid or incurred for LTC insurance by an individual on behalf of the taxpayer, dependents or parents and for amounts paid or incurred by an employer on behalf of employees. The credit is limited to the lesser of 15% of premiums or $500. The credit may not be available if the policy was issued prior to January 1, 2000 or if taken as a deduction in computing federal taxable income. The credit is not refundable and cannot be carried forward. *Or. Rev. Stat. §§315.610, 317.322.*

2025 state tax incentives, Pennsylvania to Wyoming

State	Credit, Deduction or Exemption	Summary
Pennsylvania	None	
Rhode Island	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *R.I. Gen. Laws §44-30-12.*
South Carolina	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *S.C. Code §12-6-560.*
South Dakota	N/A	
Tennessee	N/A	
Texas	N/A	
Utah	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *Utah Code Ann. §59-10-103(1)(z).*
Vermont	Deduction	Permits the same tax deduction as is allowed for federal income tax purposes. *32 Vt. Stat. Ann. §5824.*
Virginia	Deduction	The amount paid annually in LTC insurance premiums may be deducted from federal AGI in computing Virginia taxable income. The deduction is only allowed if the individual did not claim a deduction for these premiums for federal income tax purposes. *Va. Code §58.1-322.03(10).*
Washington	N/A	
West Virginia	Deduction	A deduction is allowed for resident taxpayers for amounts paid during the taxable year for premiums for LTC insurance as defined in the West Virginia Code, for taxpayer and their spouse, parent or dependent, from the federal AGI reported on the West Virginia state tax return to the extent not allowed as a deduction in computing the taxpayer's federal AGI for the year of payment. *W. Va. Code §11-21-12c.*
Wisconsin	Deduction	Allows a person to subtract from federal AGI the amount paid for an LTC insurance policy for the taxpayer or their spouse when computing Wisconsin taxable income, less any amount deducted when calculating federal AGI. The amount claimed as a deduction on the state return cannot be used toward the Wisconsin itemized deductions credit. *Wis. Stat. §71.05(6)(b)(26), 71.07(5)(a)(15).*
Wyoming	N/A	

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1. IRC §213(d)(10).
2. IRC §1372 provides that a more than 2% shareholder/employee is generally treated as a partner in a partnership, rather than as an employee, for the purposes of the tax treatment of fringe benefits. The deduction hinges on the more than 2% shareholder/employee being treated as a partner and self-employed by participating in a plan in which the employer pays the premiums. IRC §162(l); Rev. Rul. 91-26.
3. IRC §162(a).
4. For LTC insurance coverage provided by a closely held C corporation, the IRS can challenge tax benefits claimed under an employer-provided plan that covers only shareholders/employees, if they find that the plan is not for employees.
5. Second highest of 13 ratings (superior ability to meet ongoing insurance obligations). Financial strength rating is current as of March 31, 2025, is subject to change, and applies to John Hancock Life Insurance Company (U.S.A.) as a measure of the company's financial ability to pay claims and to honor any guarantees provided by the contract and any applicable optional riders. The company has also received additional financial strength ratings from other rating agencies. Financial strength ratings are not an assessment, recommendation, or guarantee of specific products and their investment returns or value, do not apply to individual securities held in any portfolio or the practices of an insurance company, and do not apply to the safety and performance of separate accounts.

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