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**Have you taken one of the most important steps in  
planning for your retirement? There's still time!**

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# Planning for Your Retirement?

**Remember to Consider  
Long Term Care Insurance!**

“Help protect your assets from  
the potentially high costs of  
long term care. Find out more  
about the Federal Long Term  
Care Insurance Program today!”

*Kay Coles James*  
Director  
U.S. Office of Personnel Management



**Get Smart**

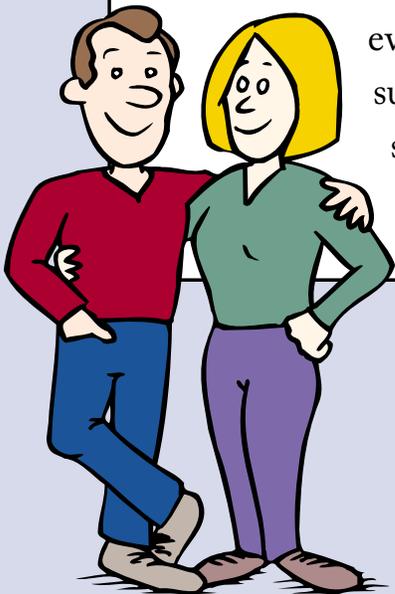
# Understanding the Impact of Long Term Care Expenses on Your Retirement Assets...

As you think about your approaching retirement, it's possible you may have overlooked one very important detail. Some people concentrate only on increasing their savings — through an annuity, Thrift Savings Plan (TSP), IRA, pension, or some other type of investment. But what about *protecting* the money you've saved and preserving the lifestyle you enjoy? Without *long term care insurance*, you and your family could seriously jeopardize the savings you've worked so hard to build for your retirement, and the lifestyle to which you've become accustomed.

Also, obtaining long term care insurance today can help ensure you won't need to rely on your family should you need long term care services during your retirement.

## What Is Long Term Care?

Long term care is *ongoing* care for people who need lengthy or even lifelong help with activities they perform every day — such as bathing and dressing — due to an illness, injury, or severe cognitive impairment (such as Alzheimer's disease).



Turn the page...and learn about the need for long term care insurance — *plus* the advantages of the Federal Long Term Care Insurance Program.

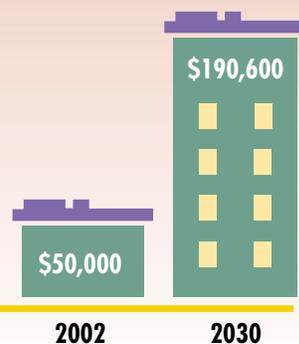
# Here's Why Long Term Care Insurance Can Be So Important During Your Retirement:

- ▶ Over half (60%) of people who reach age 65 will need long term care at some point in their lives.<sup>1</sup>
- ▶ Long term care could be the most expensive type of care you ever face — and costs are only going to get higher. As you can see, these costs can significantly jeopardize the savings you've set aside for your retirement:

**The average annual cost for home care is well over \$20,000. That's \$18/hour,<sup>2</sup> five hours per day, five days a week for a home health aide. That cost is expected to climb to \$68,000 by 2030.<sup>3</sup>**



**The national average annual cost for care in a nursing home is \$52,000 for a semi-private room.<sup>2</sup> That cost is expected to climb to \$190,600 by 2030.<sup>3</sup>**



- ▶ Long term care expenses are not covered by traditional medical insurance plans. Most health care programs, including the FEHB Program, TRICARE, and TRICARE for Life, cover very few long term care expenses, if any!
- ▶ While Medicare covers some care in nursing homes and at home, it does so only for a limited time, subject to restrictions.
- ▶ Medicaid (Medi-Cal in California) is the Federal/state program for the impoverished. It provides certain types of coverage, including long term care; but to qualify you must “spend down” virtually all of your money and assets to state required levels. Under Medicaid, you may have little choice or control over the care you receive.
- ▶ Some people wonder if it would be smarter to invest their money rather than purchase long term care insurance. The numbers show the impact of such a decision. At age 40, if you invested \$79.20 each month at 8% interest, compounded annually, you would have saved \$118,824 by age 70. BUT, if you used that same \$79.20 each month to pay for long term care insurance under the Federal Program, you would have a whopping \$1,191,725 available to cover the cost of care at age 70!\*

<sup>1</sup> *Long-Term Care Insurance, Baby Boom or Bust?*, Conning & Company, 1999, page 13.

<sup>2</sup> MetLife Market Survey of Nursing Home and Home Care Costs, April 2002.

<sup>3</sup> *Can Aging Baby Boomers Avoid the Nursing Home?*, Stucki, B., and Mulvey, J., American Council of Life Insurers, March 2002, page 15.

\*Based on a Comprehensive Plan with a \$150 Daily Benefit Amount, 90-day Waiting Period, 5-year (1,825 day) Benefit Period and Automatic Compound Inflation. This example assumes you have not used any of your benefits up to age 70.

CREATED EXCLUSIVELY FOR MEMBERS  
OF THE FEDERAL FAMILY...

## The Federal Long Term Care Insurance Program

The Federal Long Term Care Insurance Program is the *only long term care insurance program sponsored by the Federal Government for the Federal Family!* It reflects the careful efforts of the U.S. Office of Personnel Management (OPM) and two insurance leaders — John Hancock and MetLife — to provide comprehensive benefits and group premiums. Long term care insurance helps preserve your retirement savings should a long term care need arise. The result? Peace of mind and financial independence in your retirement.

Here are some of the great advantages offered by the Federal Long Term Care Insurance Program:

- Competitive group rates
- An expansive home care benefit that includes informal care
- Innovative inflation options
- Premiums that can be deducted from your retirement annuity

### And remember:

*No other plan has OPM oversight and sponsorship.*



# Get Smart

## Don't Wait!

### It's to Your Advantage to Apply Sooner — Not Later!

Unlike some other insurance products, long term care insurance is something you must apply for, and pass a medical screening (called underwriting), in order to be enrolled. Certain medical conditions will prevent some people from being approved for coverage. By applying now, *before you retire*, you could avoid the risk of having a change in health disqualify you from obtaining coverage. Spouses of retirees can also apply.\* But that's not all — the younger you are when you apply, the lower your premiums!

*\* Spouses of living retirees can apply at any time; surviving spouses can only apply if they were elected a survivor benefit at retirement.*

**Get smart! Request a FREE  
Information Kit and application today.**

**Visit our web site:  
[www.LTCFEDS.com](http://www.LTCFEDS.com)**

**or call 1-800-LTC-FEDS  
(1-800-582-3337)  
(TTY: 1-800-843-3557)**

## The Federal Long Term Care Insurance Program



Sponsored by the U.S. Office of  
Personnel Management and Offered  
by John Hancock and MetLife

The Federal Long Term Care Insurance Program is administered  
by Long Term Care Partners, LLC, and offered by:  
John Hancock Life Insurance Company, Boston, MA 02117  
Metropolitan Life Insurance Company, New York, NY 10010

*John Hancock*

**MetLife**