

# Retirement & Estate Planning

## RETIREMENT & ESTATE PLANNING: COMPLETING THE PLAN

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<b>Estate Planning</b>	<b>Retirement &amp; Investment Planning</b>	<b>Retirement Distribution Planning</b>
<b>Life Insurance Planning</b>	<b>Long Term Care Planning</b>	<b>Life Planning</b>

**Retirement Planning** is often characterized as a process to accumulate financial and other resources that will provide sufficient income for the desired retirement standard of living.

**Life expectancy** is often not adequately addressed.

Typically we do not focus on current and future life expectancy trends. We are not aware of the potential number of years we may live past our official retirement date (please refer to *Life Expectancy* article).

As we live longer, we will take financial distributions over many, many years.

As we live longer the chance of needing long term care increases. In thirty years it is likely that annual cost of care at home and in an assisted living facility (high-level care) could easily total \$315,000 in the Philadelphia area (assumes that current care costs continue to grow at 5% annually). If four years were needed we can expect to pay \$1,200,000 for care. If the other spouse needs care, you can do the arithmetic.

Many of my clients purchase a long term care policy so that they are confident that a major portion of the future cost of care will be funded externally – not by using their hard earned financial resources. They realize that by controlling this final risk they can be more confident of not outliving their financial resources – thus obtaining *peace of mind*. **It occurs to them that the long term care policy gives them the confidence to actually spend more dollars during their healthy years.**

**Estate Planning** is about preserving the family resources and assuring that one's desires are fulfilled at death. Unfortunately, many individuals and families do not plan for potential long term care needs. Should care needs occur, the financial issues can be devastating – totally destroying any estate planning goals.

After I have delivered the long term care policy and I walk toward the door, my clients almost always say ***"I hope I never need to use this policy... but I am glad I have it!"***

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