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a little longer. But long life also has its downsides.

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There's a tendency to give a silent cheer any time the average life expectancy grows a little longer. But long life also has its downsides.

"Not everyone will spend all of their retirement years being active and doing all the fun things they planned," says Mark Cardoza, author of the book "Positioning 4 Retirement."

(www.positioning4retirement.com) "Many people will end up needing long-term care, such as in nursing homes, and that can be

expensive. How to pay for that care is a looming problem for a lot of

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cared for as an entitlement," he says. "Instead of educating people and creating political trauma, they developed what we now know as 'qualified retirement plans.' "

Such plans include the popular 401k plans that many employers offer in lieu of pensions these days. They are attractive because they allow people to defer taxes on the money placed in the account, and some employers offer matching funds. But retirement savings can be vulnerable when a person needs long-term care, Cardoza says.

The cost of long-term care can deplete retirement savings pretty quickly. One option for offsetting some of the costs is to apply for Medicaid. But in some cases, unless retirement savings are properly protected, they can be considered an asset and must be spent first before Medicaid kicks in, Cardoza says.

He says there are several options for protecting your retirement savings and getting the most out of those dollars you so painstakingly set aside throughout your working years. A few options include:

- **Long-term care insurance.** A long-term care insurance policy, if properly designed, will provide your family with financial, physical, and emotional resources while protecting your assets. Financially, it is a way to self-insure, using assets to pay for coverage, entirely or while getting through the look-back period. A long-term care insurance policy is a disability plan. It doesn't replace incomes as a typical disability plan would; instead, it provides income to pay for necessary services in the

event of accident, illness, or aging and being unable to do

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a defined period of time.

- **Irrevocable trusts.** An irrevocable trust is used to protect assets, minimize estate tax liability, avoid probate, and maintain privacy. These trusts are designed to protect qualified funds, in which taxes could be deferred, and non-qualified funds, for which tax deferrals were not allowed.

Ultimately, Cardoza says, before making any decisions it's best to consult with a professional who understands the intricacies of retirement planning.

Mark Cardoza (www.positioning4retirement.com) is the founder of M. Cardoza Insurance, Inc. He holds the designation of CLTC (Certified Long Term Care) specialist and is certified in the area of trusts and estate planning.

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