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threshold for medical expenses. But the IRS strictly limits the amount you can write off for LTCI insurance each year.

Ken Berry • Nov. 01, 2022



Of course, the health insurance premiums you pay out of your own pocket count as deductible medical expenses, just like expenditures for visiting a doctor or dentist or the hospital. But what about long-term care insurance (LTCI)? There's both good news and bad news on this issue.

First, the good news: You can add the cost of premiums to the amount you need to

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deduct unreimbursed medical expenses in excess of 7.5% of your adjusted gross income (AGI), down from 10% of AGI, if you itemize deductions. The medical expense deduction threshold had see-sawed back and forth for several years between 10% and 7.5% of AGI, but recent legislation made the lower threshold a permanent part of the tax code, beginning in 2021.

Nevertheless, this deduction threshold remains daunting for most taxpayers. For example, if you have an annual AGI of \$100,000 and incur \$8,500 in qualified medical expenses, your deduction is limited to just \$1,000. If you have \$7,000 in qualified medical expenses, you get no deduction.

Some often-overlooked expenses, like the cost of LTCI premiums, may put you over the top of the threshold or increase an existing deduction. But there's a catch: Even if you exceed the 7.5%-of-AGI threshold, the IRS limits the amount of LTCI premiums you may deduct as a medical expense, based on your age.

For example, if you turned 55 this year, you can deduct up to \$1,690 on your 2022 return. These figures are adjusted for inflation annually, as shown below.

Age Attained Before Close of Tax Year	Deduction limit
40 or younger	\$450
41-50	\$850
51-60	\$1,690
61-70	\$4,520
71 or older	\$5,640

Note: The limits for 2022 are the same as they were for 2021, but a sizeable

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