

1099 LTC – Copy B For Policyholder

CORRECTED (if checked)

OMB No. 1545-1519

20xx

Form 1099-LTC

Long-Term Care and Accelerated Death Benefits

Copy B For Policyholder
This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

1 Gross long-term care benefits paid

2 Accelerated death benefits paid

3 Per diem Reimbursed amount

4 Qualified contract (optional)

5 (optional) Chronically ill Terminally ill

Date certified

INSURED'S social security no.

INSURED'S name

INSURED'S street address (including apt. no.)

INSURED'S city, state, and ZIP code

PAYER'S name, street address, city, state, ZIP code, and telephone no.

PAYER'S federal identification number

POLICYHOLDER'S identification number

POLICYHOLDER'S name

POLICYHOLDER'S street address (including apt. no.)

POLICYHOLDER'S city, state, and ZIP code

Account number (see instructions)

Form 1099-LTC

Department of the Treasury - Internal Revenue Service

Callouts: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15

Instructions for Policyholder

A payer, such as an insurance company or a viatical settlement provider, must give this form to you for payments made under a long-term care insurance contract or for accelerated death benefits. Payments include those made directly to you (or to the insured) and those made to third parties.

A long-term care insurance contract provides coverage of expenses for long-term care services for an individual who has been certified by a licensed health care practitioner as chronically ill. A life insurance company or viatical settlement provider may pay accelerated death benefits if the insured has been certified by either a physician as terminally ill or by a licensed health care practitioner as chronically ill.

Long-term care insurance contract. Generally, amounts received under a qualified long-term care insurance contract are excluded from your income. However, if payments are made on a per diem basis, the amount you may exclude is limited. The per diem exclusion limit must be allocated among all policyholders who own qualified long-term care insurance contracts for the same insured. See Pub. 525, Taxable and Nontaxable Income, and Form 8853, Archer MSAs and Long-Term Care Insurance Contracts, for more information.

Per diem basis. This means the payments were made on a periodic basis without regard to the actual expenses

incurred during the period to which the payments relate.

Accelerated death benefits. Amounts paid as accelerated death benefits are fully excludable from your income if the insured has been certified by a physician as terminally ill. Accelerated death benefits paid on behalf of individuals who are certified as chronically ill are excludable from income to the same extent they would be if paid under a qualified long-term care insurance contract.

Account number. May show an account or other unique number the payer assigned to distinguish your account.

Box 1. Shows the gross benefits paid under a long-term care insurance contract during the year.

Box 2. Shows the gross accelerated death benefits paid during the year.

Box 3. Shows if the amount in box 1 or 2 was paid on a per diem basis or was reimbursement of actual long-term care expenses. If the insured was terminally ill, this box may not be checked.

Box 4. May show if the benefits were from a qualified long-term care insurance contract.

Box 5. May show if the insured was certified chronically ill or terminally ill, and the latest date certified.

<u>Box</u>	<u>Description</u>
1	Gross benefits paid.
2	Not applicable to LTC.
3	Indicates benefits paid (as reflected in Box 1) as either on a Per Diem (Indemnity) basis or as a Reimbursement for actual long term care expenses incurred. (See below)
4	An optional field indicating if benefits were paid from a Tax Qualified LTCi Contract.
5	The Chronically Ill box will always be checked for LTC. The Terminally Ill box is not applicable to LTC.

Add'l Fields

6	Payer's name and address e.g., Genworth Life Insurance Company.
7	Tax year.
8	Payer's federal tax identification number e.g., Genworth Life Insurance Company's federal tax identification number.
9	Policyholder's identification number. Will be the same as the Insured's social security number.
10	Insured's social security number.
11	Policyholder's name and address. Will be the same as the Insured's name and address.
12	Insured's name and address.
13	Claim number.
14	TDP= Total Days Paid. Only applicable to Per Diem (Indemnity) claims.
15	If a Reimbursement claim, this reflects the date certified as Chronically Ill. If a Per Diem (Indemnity) claim, this reflects the claim's original date of loss.

If Box 3 is marked Reimbursed Amount and you have a Tax Qualified Contract, then the amounts received can generally be excluded from your income. A tax qualified contract qualifies for favorable federal income tax treatment. If the policy only pays benefits that reimburse you for qualified long term care expense you will not owe federal income tax on these benefits, however we are still required to report to the IRS the amount of tax-free long term care insurance benefits that you have received under your insurance contract. Please contact the IRS to obtain additional information or consult with a tax advisor for additional guidance.

If Box 3 is marked Reimbursed Amount and you have a non-Tax Qualified Contract, then some or all of your benefits may be taxable. On a yearly basis, we are required to report to the IRS on Form 1099-LTC the gross amount of long term care

benefits issued under your insurance contract. Since your contract is not tax qualified, some or all of your benefits may be taxable. You will need to determine the taxable portion of non-qualified long term care benefits for purposes of your individual income tax return. Please contact the IRS to obtain additional information or consult with a tax advisor for additional guidance.

If Box 3 is marked Per Diem (Indemnity) then the amount you may exclude from your income is limited. Because your benefits were paid on a per diem (indemnity) basis, without regard to the actual long term care expenses incurred, the amount of benefits you may exclude from your income is subject to a daily maximum amount. If you exceed this per diem (indemnity) limitation, part of the benefits you received may be taxable. All relevant forms and instructions for determining the taxable portion, if any, of long term care benefits paid on a per diem (indemnity) basis are available by contacting the IRS at 1-800-829-3676 or online at www.irs.gov or from local libraries and post offices. For further assistance, please contact the IRS directly or consult with a tax advisor.