**Email Content**

Undoubtedly, there are clients with enough assets to pay for care should they need it later in life. That said, this may be one of those instances where just because you can, doesn’t mean you should.

Simply transferring this risk to an insurance company is already going to provide a significant discount. What is often not factored into the decision to self-fund, however, is the impact of taxes. Unless paying with cash from a checking account that doesn’t accumulate interest, every time the client liquidates an asset to pay for their care, they are creating a taxable event. At either capital gains or ordinary income rates, the tax burden this creates can grow quickly. This tax burden can absolutely change the perspective of a client thinking of self-funding.

Drop me a note or give me a call if you want to take a closer look at how we’re helping other advisors talk their clients through this decision.