



The far-reaching impact of caregiving for employers and employees

[Transamerica's whitepaper on caregiving](#)



Table of Contents

The need for long term caregiving	4
The caregiving conversation	5
Common myths of caregiving – and the realities	6
Caregiving services may be needed sooner rather than later	8
People are living longer but not necessarily healthier lives	9
Caregivers are often a loved one’s window to the world	10
Care at home or care in a facility	11
Control over care	12
Concerns about caregiving	13
How needing extended care impacts employee finances	14
Employer workforce absorbs the loss	15
Payment options for caregiving	16
Employers are often a big source of help	18
Long term care legislation moving forward	19
Caregiver resources	20
Caregiver help and information	21
Transamerica’s support for caregiving needs	22





According to a recent Transamerica survey,

70%

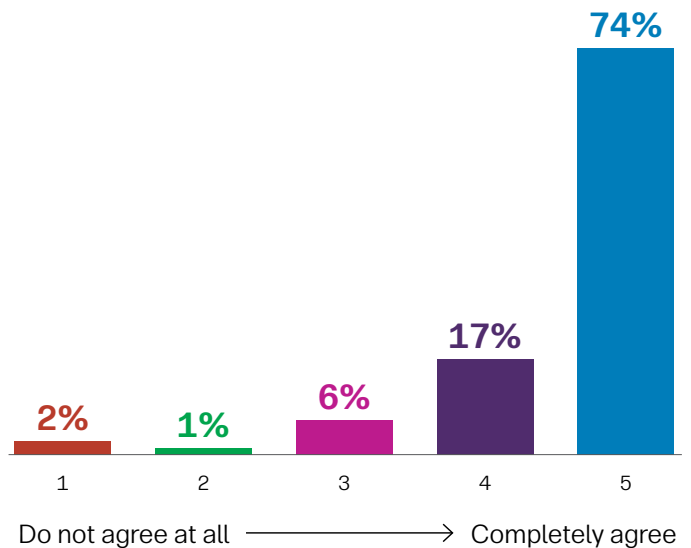
of customers without an existing life insurance policy said they completely agree there is a need for extended care planning.¹



The need for long term caregiving continues to grow as a generation of Baby Boomers retire and the younger generations may be relied on to care for them.

Additionally, younger generations aren't always aware, let alone prepared, for their own potential need for extended care. The need for caregiving can arise at any age due to a chronic condition, accident, or disability, so it's never too early to start planning for how that need will be managed. With Americans living longer than ever,² it makes sense that most may need some extra help with everyday activities as they age. It's time to plan accordingly.

Extended care should be part of retirement planning¹



¹ "Transamerica Extended Care Survey," December 2022–January 2023

² "A Long Life Does Not Always Mean a Healthy Life in Old Age," United States Census Bureau, May 2021

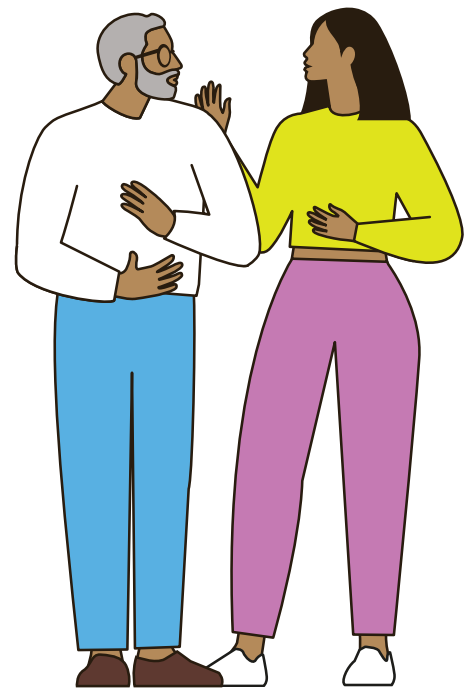
The caregiving conversation

Many Americans are first exposed to caregiving when it impacts a family member or friend. The amount of time and effort it takes to tend to the needs of a person with short- or long-term limitations due to an accident, illness, disability, or advancing age can be surprising.

We often picture needing caregiving assistance late in life, but a chronic condition or a disability can also leave working-age individuals in search of a caregiver. And with many in the work force rethinking their careers, wages, and work conditions, the challenge of accessing quality care services is an acute and growing problem.

This may be an uncomfortable subject for many, and it's tempting to avoid thinking about needing long term care (LTC) services before we actually require them. But it is extremely important for employees to proactively prepare for the possibility of needing caregiving services well in advance of actually relying on them.

The following information provides important insight on the many facets of caregiving and the unintended wake it often leaves in its path: professionally, socially, emotionally, and financially. Various options are available to help employees and employers make informed decisions and proactively prepare for what the future may hold.



“There are only four kinds of people in the world – those who have been caregivers, those who are currently caregivers, those who will be caregivers, and those who will need caregivers.”

– Rosalynn Carter Institute for Caregivers



Common myths of caregiving – and the realities

Myth #1:

Medical plans and Medicare pay for long term care services.

Reality:

That's what many people think. However, most medical plans, including Medicare, cover very few long term care costs. Medicaid is intended to be a safety net for those with limited or minimal income and assets. Relying on Medicare can leave a person requiring care with a mounting number of bills to pay or without access to some services, due to the prohibitive cost. For that reason, the responsibility for providing those services frequently falls on family or friends.

Myth #2:

Family will provide for caregiving needs.

Reality:

They may want to – but the impact could be far-reaching. Caregiving can have wide-ranging effects on the caregiver themselves. Often their career, finances, and overall health are adversely affected. Time needed away from work, their own out-of-pocket expenses, and mental health issues (due to stress and worry) can take a toll on their emotional well-being as well. Sometimes the best way to care for caregivers and their families is to have alternate plans of care in place to help provide needed support.



26%

Family caregivers are spending, on average, one-quarter of their income on caregiving support.³

³ "Caregiving Out-of-Pocket Cost Study," AARP, June 2021



Myth #3:

Personal savings will cover caregiving costs.

Reality:

Yes, a sizable nest egg may help pay for unexpected expenses, but many aren't prepared for the increasing costs of care that may be needed and for the length of time they may be required. Looking at the cost of an insurance policy that covers these services is another option if the premium paid is outweighed by the total benefits received. This could help maintain personal savings to use for more enjoyable events.

Often when personal savings run out or low, the caregiver uses their own savings to help defray the costs for the person they're caring for:



80%

of those without insurance for extended care needs are relying on personal funds¹

Myth #4:

Long term care insurance only covers nursing home care.

Reality:

Not anymore. Different plans cover different types of care. Some may only pay for care in a nursing home, but most others help cover care at home, in an assisted living, adult day care, memory care, or skilled nursing facility. Most long term care insurance plans and flexible life insurance riders now cover a wide range of care.

¹ "Transamerica Extended Care Survey," December 2022–January 2023

Caregiving services may be needed sooner rather than later

When employees think about the potential need for caregiving, it's easy to conjure up images of nursing homes and wheelchairs and think, "that will never be me." That makes people feel better, but it isn't really practical. The potential need for care assistance, even temporarily, is a risk for younger ages as well.

Working-age Americans often need extended care while facing:

- Surgery recovery
- Motor neuron disease (such as ALS)
- Stroke damage
- Heart disease
- Other chronic conditions like epilepsy, rheumatoid arthritis, diabetes, etc.

Meet Carolyn

Carolyn, a 42-year-old NICU nurse, doesn't realize she's part of a growing trend of heart attacks among women aged 35-54⁵ until she has one mid-shift.

Her recovery from bypass surgery takes six weeks, and she feels bad (in spite of their kind reassurance) that her family has to pitch in with transportation, rent, and recuperative care.

Knowing she now has heart disease and that the stress of the job she loves is still a risk factor,⁶ she fears what it would cost her loved ones if she were to need long term care services. How can she help prepare for the financial impact of her potential future need for chronic care?

When her company offers universal life insurance with a chronic condition care rider that November, she's relieved to put this protection in place, knowing it will help both her and her family in the event she needs full-time care.

⁴ "Disability Benefits," Social Security Administration, April 2021

⁵ "Heart Attacks Striking Younger Women," Virginia Colliver, Johns Hopkins Medicine, 2022

⁶ "Risk Factors for Heart Disease: Don't Underestimate Stress," Johns Hopkins Medicine, 2022

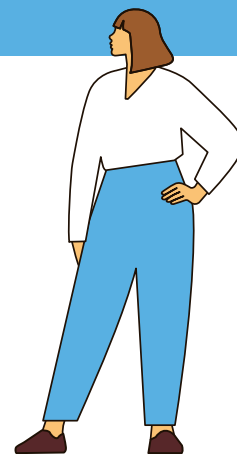
⁷ "Heart Disease Facts," Centers for Disease Control and Prevention, October 2022

25%

The probability an insured worker born in 2000 will become disabled before retirement⁴

1 in 5

Americans die from heart disease.⁷



People are living longer but not necessarily healthier

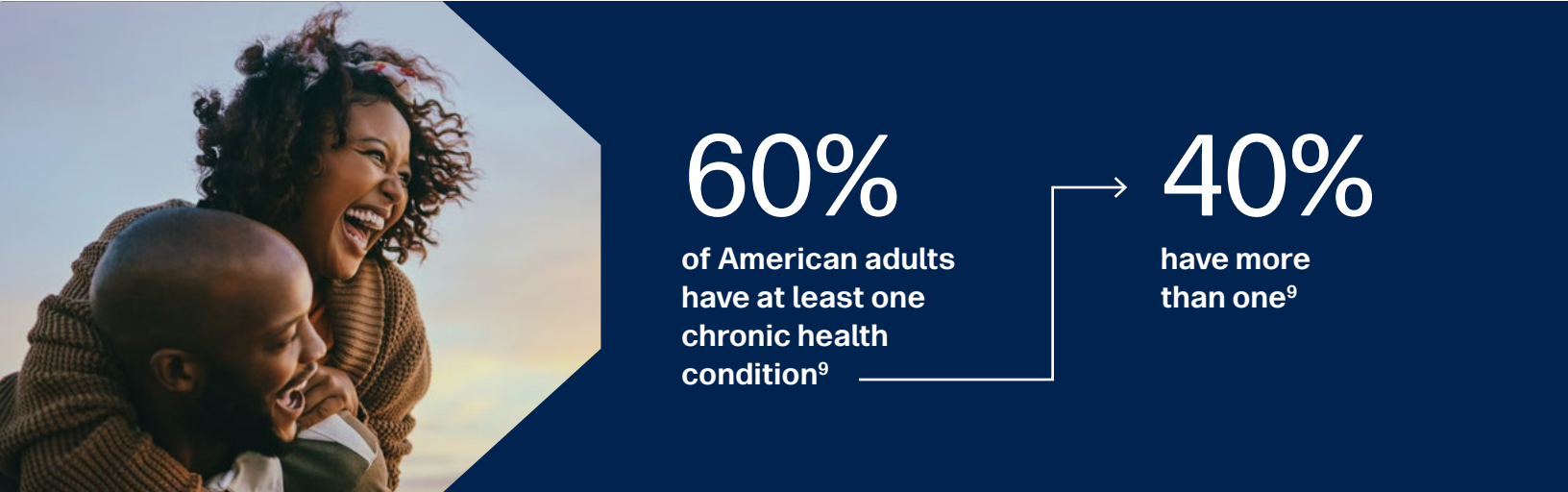
It's encouraging news that medical advances are giving Americans longer lives.

The 65+ age group is expected to double between 2000 and 2030.⁸ Having spent days and years working hard in order to enjoy retirement, the possibility of needing care to recover from a stroke, for example, shouldn't hang over anyone's savings.

But the reality of aging often means diminished mobility and/or cognitive decline which makes it difficult to independently manage basic daily activities. There are six activities of daily living that are considered a standard measure of a person's ability to care for themselves. They are:

-  **Bathing**
-  **Dressing**
-  **Eating**
-  **Transferring**
-  **Toileting**
-  **Continence**

No one likes thinking about needing personal assistance with these daily activities. But being prepared for the possibility is very important, as is talking to friends and relatives about their preferred care plans.

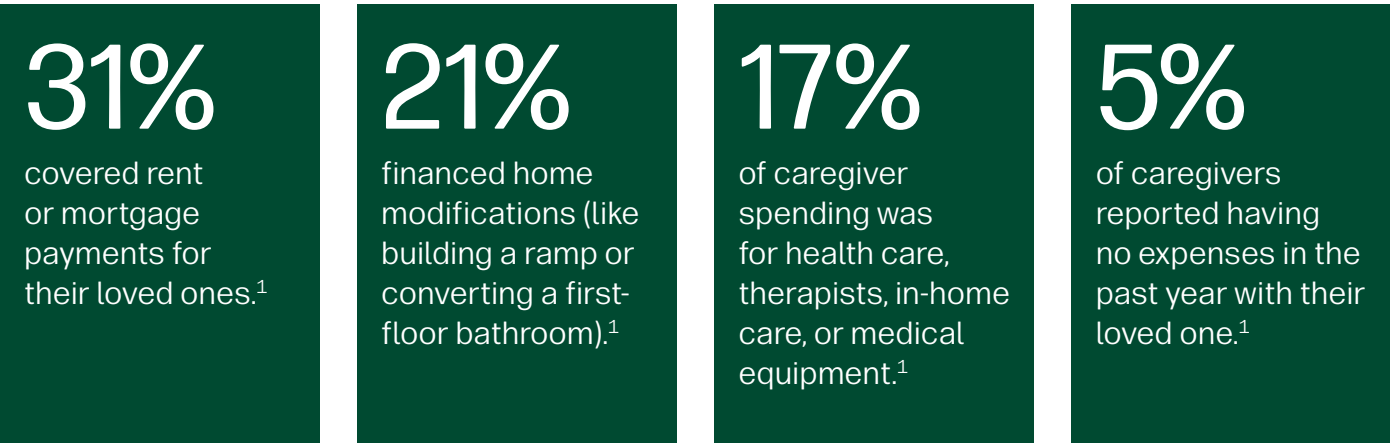


⁸ "Alzheimer's Disease and Healthy Aging: For Caregivers, Family and Friends," CDC, June 2022

⁹ "Chronic Diseases in America," CDC, December 2022

Caregivers are often a loved one's window to the world

The role of a full-time caregiver is often seen in a simpler light than the daily challenges and emotional toll full-time caregiving actually entails. Besides providing the care, caregivers are often incurring out-of-pocket expenses because of their financial contribution to the household expenses:



These are difficult facts to fully absorb but caring about the person in need, whether a family member, or a friend, is perhaps the most important factor because it helps make the costs worth bearing. The best way to honor those sacrifices is to help make life easier for those who will need and who will provide extended care.

Caregivers help expand a care recipient's access to specific people, places, and things that keep them engaged with the rest of the world:

People

- Time with family and friends
- Community gatherings
- Special holidays/events

Places

- Outdoors and nature
- Community and worship spaces
- Doctor visits

Things

- Therapeutic care
- Medications and groceries
- Medical equipment

¹ "Transamerica Extended Care Survey," December 2022–January 2023

Care at home or care in a facility

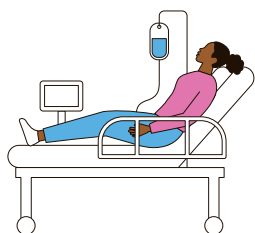
Each couple or individual has different care needs and preferences. It's important for them to understand what's available if a stroke, for example, necessitates physical therapy and total care for several months.

There are several different levels of care that may be necessary along the way:



Informal care

is often provided by a family member or friend to help with personal care, transportation, preparing meals, and other basic household duties. This is often combined with some level of professional or facility care.



Professional care

can be medical and/or non-medical care provided by trained individuals in the following settings:

- Adult day care
- Assisted living
- Independent living
- At home



Skilled facility care

may be the next step when care at home is no longer an option. This care comes in different forms, depending on whether a little assistance is needed or full-time skilled care is necessary in a medically equipped facility. Skilled care facilities most often include:

- Memory care
- Nursing home care
- Hospice care

Personalized care from an in-home care specialist or family member is preferred over facility care.

29%

of those that have thought about their extended care needs want in-home care by a licensed/certified caregiver while 25% would prefer family caregiving.¹

35%

of those who have not developed an extended care plan made no consideration for extended care.¹

¹ "Transamerica Extended Care Survey," December 2022–January 2023

Gain more control over care

Many individual care preferences are simple enough to plan and communicate before they're ever needed. This can save a lot of frustration and guesswork down the road when it's the last thing most families or caregivers want to deal with during a difficult time.

Meet Sarah

Sarah, a 45-year-old office manager, learns her 72-year-old mother has taken another fall, leaving her in a wheelchair and needing assistance getting around. Sarah's mom wants to stay home but only has Medicare as her insurance for covering some of the costs. Here is an initial look into Sarah's situation.

Medicare pays:

\$0

Medicare does not cover home modifications.¹⁰

\$1,600 wheelchair cost

Medicare will only cover 80% for approved durable medical equipment.¹¹

Part-time skilled nursing care

Medicare will only cover care for fewer than 7 days a week or less than 8 hours a day up to 21 days.¹¹

Sarah's expenses:

\$4,688

The national average to add accessibility features to a home.¹²

\$400 wheelchair cost

Sarah and her mom must cover the other 20% for her wheelchair.¹¹

Full-time care

After Medicare coverage is up Sarah will become her full-time care provider. Helping with errands, medication, and therapy needs.

Family caregivers spend an average \$7,200 out-of-pocket per year on caregiving.¹³

74%

believe extended care should be a part of retirement planning

but only 45%

have thought about planning for their extended care needs.¹

¹ "Transamerica Extended Care Survey," December 2022–January 2023

¹⁰ "Equipment and Supplies Excluded From Medicare Coverage," Medicare Interactive, accessed April 2023

¹¹ "Seven Things You Should Know About Medicare's Home Health Care Benefits," National Council on Aging, March 2021

¹² "How Much Does it Cost to Make My Home Accessible?" Angi, December 2022

¹³ "Family Caregivers Spend More Than \$7,200 a Year on Out-of-Pocket Costs," AARP, June 2021

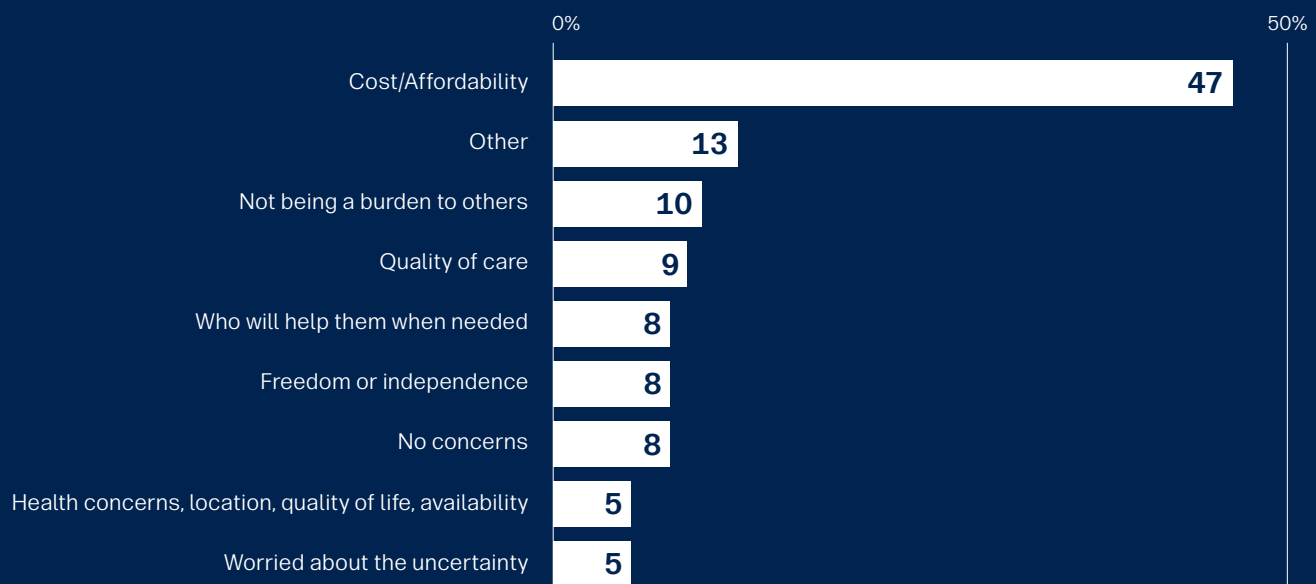


Customer concerns about caregiving

Nearly 50% of those surveyed list cost and affordability as their primary concern when it comes to future extended care needs.¹ Surprisingly, only eight percent were concerned with the quality of the care they'll receive or who will provide it. Perhaps suggesting they are relying on a spouse or other loved one or have already made long term care plans.

Identifying the type of care that may be needed and its potential costs is important to do before the care is actually needed. Explore options for long term care, including home care, adult day care, assisted living, and nursing homes, and the associated costs. What are your funding options?

Biggest concerns when it comes to extended care needs



¹ "Transamerica Extended Care Survey," December 2022–January 2023

Even with professional/facility care, loved ones take on a financial, emotional, and physical lift of being a caregiver.

Caregivers not assisting with tasks related to ADLs still spend on average \$7,242 annually. And those that do, spend on average \$8,811.³

Home health care¹⁴

\$5,148

Monthly cost of a home health aid

Adult day care¹⁴

\$1,690

Monthly cost for adult day care service

Assisted living facility¹⁴

\$4,500

Monthly cost of private, one bedroom

Nursing home care¹⁴

\$7,908

semi-private

\$9,034

private

Monthly cost for nursing home care

Cost is the most important issue when considering extended care needs and,

only 1 in 5

feels confident they will have enough money to pay for it.

Only 22%

have insurance to cover extended care¹

¹ "Transamerica Extended Care Survey," December 2022–January 2023

³ "Caregiving Out-of-Pocket Costs Study," AARP, June 2021

¹⁴ "Cost of Care Survey," Genworth, 2021

Employer workforce absorbs the loss

While an employee who needs caregiving may impact the employer when they leave or file for disability, an employee who provides caregiving to others can find their time and attention understandably divided. In addition to potential burnout, it takes time away from work and can even necessitate leaving the workforce.

Meet Tom

Tom is an HR Director for a large production company who's recognized a developing trend of valued employees needing time from work to provide care for family members.

Also, he has many couples that work for his company so if one is out sick, injured, or disabled the other one sometimes needs time too, to provide care. This is having a significant impact on the company's productivity requirements.

When he hears about a universal life insurance policy with a chronic condition rider, he immediately recognizes the value. Tom recommends this benefit, with spousal coverage, be added to their fall enrollment benefit options. If one spouse is out, the other can still work more comfortably knowing they have access to care services that can provide the needed care.

53 million

Americans are serving as caregiver for a loved one, and about 6 in 10 of them are doing so while also trying to earn a living.¹⁵

Percent of working caregivers doing the following as a result of caregiving¹⁵

29%

take paid time off

28%

work different hours

20%

take unpaid time off

19%

work fewer hours

18%

work more hours

10%

take an additional job

¹⁵ "Caregiving in the U.S. 2020," AARP and the National Alliance for Caregiving, 2020



Payment options for caregiving



Self-Pay

Planning to pay out-of-pocket for the cost of long term or chronic care services seems like a reasonable choice, but the costs of that care are often far more than the cost of insurance.

If the money runs out, it can leave a mounting number of bills to pay or even services being inaccessible due to the prohibitive cost. For that reason, the responsibility for providing those services frequently falls on family or friends. It's often better to have a plan in place that will spare one's savings and avoid significant costs that family members often incur.



Major medical or Medicare insurance

People could be relying on insurance that doesn't fully cover LTC services.

Major medical insurance pays for short-term care for conditions that can be cured – not long term care.

Medicaid is the safety net program for those living at the poverty level with minimal income or assets.

Medicare is health insurance for those 65+ but does not pay for long term care services. Medicare will cover up to 100 days of skilled nursing care but only for people whose condition is improving.



Long term care insurance

With long term care insurance the policyholder pays a premium each month for as long as the policy is in effect. If the need for chronic or long term care services arises the policy pays a monthly amount for a predetermined period of years chosen by the policyholder, or until the policyholder passes away. Some policies cover home care, adult day care, and care received in an assisted living or nursing home facility.



Life insurance with caregiving benefits

Also called hybrid policies, these are life insurance policies that provide optional chronic condition or long term care riders that can accelerate the policy's death benefit in order for the policyholder to use the money while still living and receiving long term care services.

How this death benefit is paid varies depending on policy and company. Just as with basic LTC insurance, there are different lengths of time and amounts offered, and they cover different types of caregiving and the location in which caregiving takes place.



Terminal illness insurance

Terminal illness insurance pays out a lump-sum in the case of an illness expected to cause death, often within twelve months of the diagnosis. Similarly to life insurance, it can help a family settle their affairs after the passing of a loved one, but it also offers the ability for the insured to take an active role in managing expenses, due to the illness, while still living.

Employers are often a big source of support

Just implementing a few flexible options could be exceptionally important to employee caregivers and to employees that may need the care themselves someday.



Flexible work options –

could mean a compressed work week or a modified daily schedule based on need. Job-sharing and remote work are also caregiver-friendly options to explore. Offering flex-time options on a case-by-case basis also helps, even if there is no formal policy.



Using paid time off for caregiving –

depending on state laws, allows accrued paid sick days or vacation leave toward time taken off for caregiving. Georgia, Illinois, New Mexico, and Puerto Rico have adopted variations on the Eligible Leave for Employee Caregiving Time (ELECT) Act, a model state bill developed by AARP that allows workers to use paid sick leave to care for family members. Employees may also be eligible for unpaid leave under the federal Family and Medical Leave Act (FMLA).



Counseling and support services –

an employee assistance program or other resources specifically for caregivers, like counseling for reducing stress and managing time.



Offering employer benefits to help employees prepare for their care –

once an employee has seen firsthand how providing extended care to a loved one can impact the family's health and finances, they may find comfort in knowing they can better prepare for their own care if needed. There are insurance policies and riders available that pay for extended care services in the home or a facility.



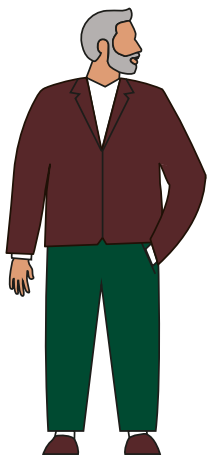
Eldercare referrals – available through an online database or live consultants, reduces the burden on employees having to do distracting and time-consuming research to find services such as medical support and meal delivery for a loved one.

Long term care legislation moving forward

With the influx of Baby Boomers retiring at a mind-boggling rate, and the costly expense of long term care services not covered by Medicare, the need for some type of chronic care or long term care insurance has never been greater.

Regulatory and legislative changes throughout the country could impact how policies can be offered and what that means for the insurance industry as a whole.

A small percentage of Americans own LTC insurance, and many carriers have exited this market over the past 10 years or so. It may even be hard to find a long term care policy or afford one. Several states are looking for alternatives to help with long term caregiving costs by conducting studies and having discussions on this important issue.



53%

of those 60–69 years old have not thought about extended care planning.¹

Below are a few key highlights of the new Washington (WA) Cares Fund:

- WA Cares Fund benefits are funded entirely by employee premiums
- WA employees will contribute \$0.58 per \$100 of earnings
- There is no employer-paid portion of the premium
- Employers are responsible for collecting, remitting, and reporting these premiums
 - Employee premiums are uncapped, but there is a \$36,500 lifetime cap, indexed for inflation, on the benefits an employee can receive
 - Benefits can only be used in Washington state
- Those who had private long term care insurance on or before Nov. 1, 2021, were able to apply for an exemption from the WA Cares Fund until Dec. 31, 2022. This opt-out provision is no longer available
 - Employers can still offer long term care insurance to their employees which would help supplement the \$36,000 benefit from Washington state

Offering private long term care insurance to your employees can help supplement their WA Cares benefit and give them greater security into the future.¹⁶

¹ "Transamerica Extended Care Survey," December 2022–January 2023

¹⁶ "Employer Information: Employer Update," WA Cares Fund, January, 2022



Caregiver resources

The Department of Health and Human Services (HHS), provides resources for caregivers who take care of an aging, seriously ill, or disabled family member or friend. Learn more about being a caregiver and locate resources:

Caregivers (MedlinePlus®)

Information for caregivers provided by the National Library of Medicine at NIH.

Mental health and addiction insurance help

This consumer portal prototype is being released to help consumers get to the correct resource to solve their Mental Health and Substance Use Disorder insurance coverage issue.

Proveedor de atención al paciente (MedlinePlus®)

Spanish-language information for caregivers provided by the National Library of Medicine at NIH.

Caregiving (Medicare.gov)

Resources, stories, and newsletters about taking care of someone with Medicare.

Caregiving (National Institutes on Aging)

Information on caregiving from the National Institutes on Aging at NIH.

Caregivers (Administration for Community Living)

Help and resources for caregivers from the Administration for Community Living.

Alzheimers.gov

The government's information resource for people taking care of those with Alzheimer's disease and related dementias.

Eldercare Locator (Administration on Aging)

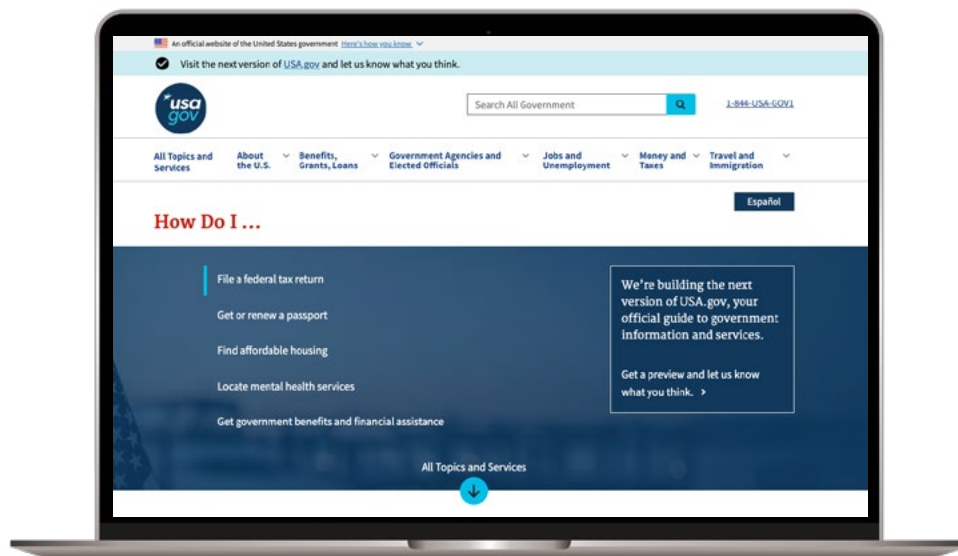
A public service connecting you to services for older adults and their families.



Caregiver help and information

There are a lot of terrific organizations where employers and employees can turn to for more information. The non-profit *Transamerica Institute*® and its *Center for Retirement Studies*® suggests these:

- **USA.gov** – Caregiver support
- **National Alliance for Caregiving** – List of organizations and resources
- **AARP** – Family caregiving
- **Caregiver Action Network** – Programs, tools, and tips
- **WISER** – Caregiver financial impacts and resources





Transamerica's support for caregiving needs

One way employers can help employees plan for the possibility of needing care services is by offering a life insurance policy with a chronic condition or long term care rider.

These are two more options in Transamerica's flexible suite of solutions that accelerate the death benefit of a life insurance policy so the policyholder could access the money in the event of an unexpected need for extended care.

It's simply better to think it through and feel more prepared before it happens. Opting in to universal life insurance with a chronic condition or long term care rider during open enrollment is a choice employees can make now that provides more choices about their care later.

Transamerica is among the few workplace benefits providers to offer both a long term care and a chronic condition rider. Our options empower us to cater to the needs of any group.



Transamerica is top 3 in the market for universal life sales that support these riders!¹⁷

¹⁷ "Worksite Voluntary Benefits Report," LIMRA, Third Quarter 2022



Forging the future together

to help people live their best lives



Allies at work

People

Together we unlock opportunities to help employees protect what matters most and deliver value through collaboration. So things just work easier.

Diverse suite of solutions

Product

We plan for the future with our broad suite of solutions to meet the needs of an evolving workforce and help employees build a more secure future.

Easily accessible

Service

You expect great service and we provide it. We stand by you in the moments that count by providing an elevated customer experience.

The Transamerica difference

With 90 years of experience in providing forward-focused solutions with our employee benefits, Transamerica is committed to helping employees protect what matters most. We are on a mission to help employees achieve a more secure financial future so they can live their best lives. And as your allies at work, we are easily accessible and here to provide support every step of the way. Our diverse suite of solutions make it easier to work with us as a single, simplified team and more adept at customizing what employers know their employees need. We then make those benefits exceptionally accessible, so more people can get what they need, get paid quickly, and get treated with friendly help and respect.

Insurance products **underwritten by Transamerica Life Insurance Company (TLIC)**, Cedar Rapids, IA or **Transamerica Financial Life Insurance Company (TFLIC)**, Harrison, NY. TFLIC is licensed to conduct business in New York. TLIC is authorized to conduct business in all other states.