



**Note:** *The draft you are looking for begins on the next page.*

## **Caution: DRAFT—NOT FOR FILING**

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms.** We incorporate all significant changes to forms posted with this coversheet. However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and pubs usually have some additional changes before their final release. Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms) and remain there after the final release is posted at [IRS.gov/LatestForms](https://www.irs.gov/LatestForms). Also see [IRS.gov/Forms](https://www.irs.gov/Forms).

Most forms and publications have a page on IRS.gov: [IRS.gov/Form1040](https://www.irs.gov/Form1040) for Form 1040; [IRS.gov/Pub501](https://www.irs.gov/Pub501) for Pub. 501; [IRS.gov/W4](https://www.irs.gov/W4) for Form W-4; and [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA) for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or pubs at [IRS.gov/FormsComments](https://www.irs.gov/FormsComments). Include “NTF” followed by the form or pub number (for example, “NTF1040”, “NTFW4”, “NTF501”, etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each “NTF” message. If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click [here](#).

# Instructions for Form 1099-LTC



(Rev. April 2025)

## Long-Term Care and Accelerated Death Benefits

### Future Developments

For the latest information about developments related to Form 1099-LTC and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1099LTC](https://www.irs.gov/Form1099LTC).

You can get the General Instructions for Certain Information Returns at [IRS.gov/Form1099GeneralInstructions](https://www.irs.gov/Form1099GeneralInstructions).

### Reminders

In addition to these specific instructions, you should also use the current General Instructions for Certain Information Returns. Those general instructions include information about the following topics.

- Who must file.
- When and where to file.
- Electronic reporting.
- Corrected and void returns.
- Statements to recipients.
- Taxpayer identification numbers (TINs).
- Backup withholding.
- Penalties.
- Other general topics.

**Continuous use revision.** Use these instructions for tax year 2025 and subsequent years until a superseding revision is issued.

**Online fillable form.** Due to the very low volume of paper Forms 1099-LTC received and processed by the IRS each year, this form is available in an online fillable format. You may fill out the form, found online at [IRS.gov/Form1099LTC](https://www.irs.gov/Form1099LTC), and send Copy B to the recipient. For filing with the IRS, follow the applicable procedures for filing electronically, or, **for this form only**, if you are qualified to file on paper, send in the black-and-white Copy A with Form 1096 that you print from the IRS website.

### Specific Instructions

File Form 1099-LTC, Long-Term Care Accelerated Death Benefits, if you paid any long-term care benefits.

#### Long-Term Care Benefits

“Long-term care benefits” means:

1. Any payments made under a product that is advertised, marketed, or offered as long-term care insurance (whether qualified or not); and
2. Accelerated death benefits (excludable in whole or in part from gross income under section 101(g)) paid under a life insurance contract or paid by a viatical settlement provider.

#### Who Must File

Payers of long-term care benefits who must file Form 1099-LTC include insurance companies, governmental units, and viatical settlement providers.

#### Viatical Settlement Providers

A viatical settlement provider is any person who:

1. Is regularly engaged in the trade or business of purchasing or taking assignments of life insurance contracts on the lives of terminally or chronically ill individuals, and
2. Is licensed in the state where the insured lives. If licensing is not required in the state, the provider must meet other requirements (including those below) depending on whether the insured is terminally or chronically ill.

a. If the insured is terminally ill, the provider must meet the requirements of sections 8 and 9 of the Viatical Settlements Model Act of the National Association of Insurance Commissioners (NAIC), relating to disclosure and general rules. The provider must also meet the requirements of the Model Regulations of the NAIC for evaluating the reasonableness of amounts paid in viatical settlement transactions with terminally ill individuals.

b. If the insured is chronically ill, the provider must meet requirements similar to those of sections 8 and 9 of the Viatical Settlements Model Act of the NAIC and must also meet any standards of the NAIC for evaluating the reasonableness of amounts paid in viatical settlement transactions with chronically ill individuals.



*However, if a state enacts a licensing requirement but does not permit viatical settlement providers to engage in business until the licenses are granted, the provider will not be considered as licensed under section 101(g)(2)(B)(i) (I). See Rev. Rul. 2002-82, which is on page 978 of Internal Revenue Bulletin 2002-51 at [IRS.gov/pub/irs-irbs/irb02-51.pdf](https://www.irs.gov/pub/irs-irbs/irb02-51.pdf).*

#### Qualified Long-Term Care Insurance Contract

A contract issued after 1996 is a qualified long-term care insurance contract if it meets the requirements of section 7702B, including the requirement that the insured must be a chronically ill individual (see [Chronically Ill Individual](#), later). A contract issued before 1997 is generally treated as a qualified long-term care insurance contract if it met state law requirements for long-term care insurance contracts and it has not been materially changed.

#### Accelerated Death Benefits

An accelerated death benefit is any amount paid under a life insurance contract for an insured individual who is terminally or chronically ill. It also includes any amount paid by a viatical settlement provider for the sale or assignment of a death benefit under a life insurance contract for a chronically or terminally ill individual.

#### Chronically Ill Individual

A chronically ill individual is someone who has been certified (at least annually) by a licensed health care practitioner as:

1. Being unable to perform, without substantial assistance from another individual, at least two daily living activities (eating,

toileting, transferring, bathing, dressing, and continence) for at least 90 days due to a loss of functional capacity; or

2. Requiring substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment.

## Terminally Ill Individual

A terminally ill individual is someone who has been certified by a physician as having an illness or physical condition that can reasonably be expected to result in death in 24 months or less after the date of certification.

## Reporting

Report payments only if the policyholder is an individual. Reportable payments are those made to the policyholder, to the insured, or to a third party.

You may report benefits paid from each contract on a separate Form 1099-LTC. At your option, you may aggregate benefits paid under multiple contracts on one Form 1099-LTC if the same information is reportable on the form for each contract (other than the amount of benefits paid).

## Policyholder

The policyholder is the individual who owns the contract, including the owner of a contract sold or assigned to a viatical settlement provider. In the case of a group contract, the term "policyholder" includes the certificate holder (or similar participant). You must report long-term care benefits to the policyholder even if the payments were made to the insured or to a third party (for example, a nursing home, caretaker, or physician). The policyholder may also be the insured.

Enter the name, address, and TIN of the policyholder on Form 1099-LTC. If the policyholder is not an individual, no reporting is required.

## Insured

The insured is the chronically or terminally ill individual on whose behalf long-term care benefits are paid.

Enter the name, address, and TIN of the insured on Form 1099-LTC.

## Statement to Policyholder and Insured

If you are required to file Form 1099-LTC, you must furnish a statement or acceptable substitute to both the policyholder and to the insured as shown.

| IF the statement is for the ...                  | THEN use...                  |
|--|------------------------------|
| policyholder                                     | Copy B.                      |
| insured  | Copy C.                      |
| policyholder and the policyholder is the insured | Copy B (Copy C is optional). |

For more information about the requirement to furnish a statement to the policyholder and to the insured, see part M in the current [General Instructions for Certain Information Returns](#).

**Truncating recipient's TIN on payee statements.** Pursuant to Regulations section 301.6109-4, all filers of this form may truncate a recipient's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on payee statements. Truncation is not allowed on any documents the filer files with the IRS. A payer's TIN may not be truncated on any form. See part J in the current [General Instructions for Certain Information Returns](#).

## Account Number

The account number is required if you have multiple accounts for a recipient for whom you are filing more than one Form 1099-LTC. Additionally, the IRS encourages you to designate an account number for all Forms 1099-LTC that you file. See part L in the current [General Instructions for Certain Information Returns](#).

## Box 1. Gross Long-Term Care Benefits Paid

Enter the gross long-term care benefits paid this year (other than accelerated death benefits). These benefits are all amounts paid out on a per diem or other periodic basis or on a reimbursed basis. It includes amounts paid to the insured, to the policyholder, and to third parties. You are not required to determine whether any benefits are taxable or nontaxable.

## Box 2. Accelerated Death Benefits Paid

Enter the gross accelerated death benefits paid under a life insurance contract this year to or on behalf of an insured who has been certified as terminally or chronically ill. Include the amount paid by a viatical settlement provider for the sale or assignment of the insured's death benefit under a life insurance contract.

## Box 3. Check if Per Diem or Reimbursed Amount

Check a box to indicate whether the payments were made on a per diem or other periodic basis or on a reimbursed basis. For accelerated death benefits, do not check a box if you made payments on behalf of a terminally ill person. "Per diem basis" means payments made on any periodic basis without regard to actual expenses. "Reimbursed basis" means payments made for actual expenses incurred.

## Box 4. Qualified Contract (Optional)

Check the box to indicate whether long-term care insurance benefits are paid from a qualified long-term care insurance contract. See [Qualified Long-Term Care Insurance Contract](#), earlier.

## Box 5. Check if Chronically Ill or Terminally Ill (Optional)

Check the box to indicate whether the insured was chronically or terminally ill. Also, enter the latest date certified. If the insured was neither chronically nor terminally ill, leave this box blank. See [Chronically Ill Individual](#) and [Terminally Ill Individual](#), earlier.