

Estate fiscal policies, long-term care insurance and informal care: Résumé.

Abstract: This paper studies the effects of estate recovery, inheritance tax and long-term care (LTC) subsidies on LTC financing. In particular, it looks at how these fiscal policies affect the decisions both to buy LTC insurance and to bequeath wealth by elderly parents and to provide informal care by children. Estate recovery is found to be an efficient tool to finance public LTC provision as it provides incentives to LTC insurance purchase, bequests and informal care supply while impacting positively the government budget. Estate recovery is also found to be an attractive way to finance an increase in LTC subsidies in terms of social welfare.