



Retirement in Sight

Part 2 – See What’s Included

Many Baby Boomers Not Calling It Quits at 65

If you're a Baby Boomer who hasn't saved as much for retirement as you would have liked, here are some tips you can take to prepare for your retirement.

Medicare: To Enroll ... or Not to Enroll if You Work Past Age 65

If you plan to work past age 65, you might be wondering if you need to enroll in Medicare, or if you can just stay on your employer's group health insurance. Here are two frequently asked questions about Medicare, and how it might work with your group health insurance.

Health Insurance for Retirement – Buyer's Worksheet

Insurance can help fill out-of-pocket health care expenses you may have in retirement. To help you compare your options, use this handy worksheet with 9 important questions to ask when you're shopping for insurance.

Questions? Give us a call at
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Many Baby Boomers Not Calling It Quits at 65

Find out why — and how they can still prepare for retirement.

The Baby-Boom generation has been credited with changing music and culture. Now it's changing the traditional face of retirement. Baby Boomers are reaching age 65 at the rate of 10,000 per day, but many say they plan to keep working past traditional retirement age – or have no plans to retire at all.



The Numbers Don't Add Up

Some say they want to work to stay active and connected, but many admit they need to work because they haven't saved enough to live on. In fact, just 27 percent of Boomers (born between 1946 and 1964) are confident they'll have enough money to last through retirement.

Most households need about 70 percent of preretirement income to maintain their lifestyles during retirement. Currently, Social Security replaces around 36 percent to 40 percent of income. However, over a third of Baby Boomers expect to rely on Social Security as their main source of income.

Tips to Get Retirement Ready

If you're a Baby Boomer who hasn't saved as much for retirement as you would have liked, here are some tips you can take to prepare for your retirement.

TIP

Seize every opportunity to put extra money toward retirement.

If you're in your 50s or early 60s, you might find you have more cash available after your kids are out of the house, you've advanced at your job, or paid off a car or your home. Put the extra money you gain from these accomplishments toward your retirement.

TIP

Reduce your debt.

Take steps to reduce your current debt and if you can avoid it, don't take on new debt.

Many Baby Boomers Not Calling It Quits at 65 *continued*



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TIP

Cut your spending.

Take a hard look at your living expenses and see where you can make cuts. Consider downsizing to a smaller house or keeping an old car instead of replacing it with a new one. Maybe you can eliminate cable TV or change smartphone plans. Put any money you save into your retirement account.

TIP

Maximize your 401(k).

It can be hard to do, but try to maximize your 401(k) contributions. For 2016, the limit on the amount you can put in your 401(k) is \$18,000. If you're 50 or older, you can also contribute an additional \$6,000 in what's known as "catch-up" contributions. Check with your employer to make sure it allows catch-up contributions. Also, try to stay with your employer until you're fully vested in its contribution dollars so you don't miss out on this "free" money.

TIP

Understand and get advice about Social Security.

You can draw Social Security benefits at age 62, but your benefits will grow the longer you delay receiving them. Full retirement age is 65, 66 or 67, depending on when you were born, and your benefits continue to grow until you reach age 70. That's why some people want (or need) to work as long as they can.

The decision about when to begin drawing Social Security will affect your finances for the rest of your life, so it's important to get professional financial help when evaluating which strategy is right for you.

TIP

Get help and make a plan.

Get help from a financial professional, such as an advisor, who can help you budget, set financial goals, determine when the best time is for you to retire, and help you put your plan together.

While some 65-year-olds might need to stay in the workforce a little longer than they'd like, younger Boomers have several years to go before retirement. If that's you, a traditional retirement might still be an option – if you start planning today.

Many Baby Boomers Not Calling It Quits at 65

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Medicare: To Enroll ... or Not to Enroll if You Work Past Age 65

Today, many people continue working past the age of 65 — which is when most people are eligible for Medicare.

If that's what you plan to do, and you're approaching your Medicare initial enrollment period (a seven-month period that begins three months before your 65th birthday), you might be wondering if you need to enroll in Medicare, or if you can stay on your employer's group health insurance.



If the subject of Medicare is new to you, here's a high-level review – and two commonly asked questions about how it might work with your group health insurance.

Medicare 101

When it's time for you to enroll in Medicare, you'll need to decide whether you want Medicare (Parts A and B) or a Medicare Advantage (Part C) plan. You may also need to sign up for Part D, depending on whether you currently have a prescription drug plan.

Medicare Parts A and B

- Part A is your hospital insurance and is free for most people.
- Part B is your medical insurance, and you pay a monthly premium. It covers doctor visits, preventive care, outpatient services, lab tests, X-rays, some home health care, etc.
- If you choose to go with Medicare, you can purchase a Medicare Supplement insurance policy through a private insurance company that can help pay costs not covered by Medicare. Medicare Supplement insurance is available in several plans with standardized benefits (in most states) that aren't subject to change.

Medicare Part C (Medicare Advantage)

- Medicare Advantage (MA) plans are administered by Medicare-approved private insurance companies as an alternative to Medicare. They normally cover Parts A and B, and sometimes include a prescription drug plan.
- MA plans, as well as their networks and providers, can change from year to year. It's also possible that an MA plan itself can be discontinued.

Medicare: To Enroll ... or Not to Enroll if You Work Past Age 65 *continued*



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- If you enroll in an MA plan, you can't buy a Medicare Supplement insurance policy.
- Talk to your employer, union or other benefits administrator regarding their rules before you enroll in an MA plan. In some cases, signing up for an MA plan might cause you to lose your employer or union coverage.

Medicare Part D

- Medicare's outpatient prescription drug coverage is available for a monthly premium and is provided by private insurance companies that work with Medicare.
- Generally, you'll want to sign up for Part D at the same time you sign up for Parts A and B (unless you're going with an MA plan that has a prescription drug plan).



Q: Should I enroll in Medicare during my initial enrollment period if I'm still working and have group health insurance through my employer?

That depends, in part, on the size of your employer. Here's how it works:

- If your employer has fewer than 20 employees, Medicare will become the primary payer (it will pay first on your health care claims) and you should enroll in Medicare – both Part A and Part B – during your initial enrollment period.
 - » As secondary payer, your employer's plan won't pay for any expenses covered by Medicare.
 - » If your spouse is on your employer's plan, he or she can continue on that plan until they turn 65 as long as you keep the plan for yourself as secondary coverage.
- If your employer has 20 or more employees, your work insurance will be your primary coverage and it probably won't be necessary for you to enroll in Medicare Part B.
 - » Even if you don't need to sign up for Part B, you should probably sign up for Part A. It's usually no cost to you and might help pay for some of the costs not covered by your group health plan.
 - » When you leave your job, you can enroll in Part B during a special enrollment period that lasts for eight months after you stop working.

Medicare: To Enroll ... or Not to Enroll if You Work Past Age 65 *continued*



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How do I get the information I need to make the best decision for me?

The size of your employer, all the elements of your current insurance, and whether you're covering your spouse on your employer's plan are just a few of the many factors that could affect whether you'll need to enroll in Medicare if you're still working.

As your initial enrollment period approaches, these professionals can help:

- Your company's benefits manager or human resources department representative can provide the details about how your employer insurance works with Medicare. It's a good idea to then confirm this information with the Social Security Administration (SSA) and Medicare.
- A licensed insurance agent who specializes in Medicare can walk you through your decision-making process, taking into account everything about your unique situation, and comparing your existing employer coverage with Medicare and Medicare Supplement insurance.
- Contact the SSA at **1-800-772-1213** or online at **ssa.gov/medicare**.
- Contact the Centers for Medicare and Medicare Services at **1-800-MEDICARE (1-800-633-4227)** or online at **medicare.gov**.

Turning 65 is one of many exciting milestones in your life. So is Medicare eligibility – and it's natural to have a lot of questions about this program and how it works with your existing health insurance.

A note about automatic enrollment

If you're currently receiving Social Security benefits, you don't need to do anything to enroll in Medicare. You'll automatically be enrolled in Medicare Parts A and B effective the month you turn 65 and will receive a Medicare card. However, if you don't want Part B at that time, follow the instructions that accompany the card and send the card back. If you keep the card, you keep Part B and will pay the Part B premiums.

Medicare: To Enroll ... or Not to Enroll if You Work Past Age 65 *Sources*



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Health Insurance for Retirement Buyer's Worksheet

Insurance can help cover out-of-pocket health care expenses you may have in retirement. The decision of which insurance company to go with can come down to the company's **reliability**, **financial strength** and **customer service**.

To help you compare your options, here are some important questions to ask when shopping around for insurance.

	Company Name: _____	Company Name: _____	Company Name: _____
What are the company's financial strength ratings according to leading insurance analysts?	A. M. Best: Weiss Ratings:	A. M. Best: Weiss Ratings:	A. M. Best: Weiss Ratings:
How long has the company been selling insurance?			
How is the premium determined?			
Does the company offer any discounts?			
Does the company offer any rate guarantees?			
How much is the monthly premium?			
On average, how long does the company take to pay a claim?			
Does the company offer a personal, dedicated agent who can answer your questions, or an 800 number?			
Does the company offer insurance options to help fill any other retirement gaps you may have?			