

NEWSLETTER FOURTH QUARTER



2019

IT'S MORE THAN THE MATH. IT'S THE PATH.



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This Fourth Quarter Newsletter Covers:

- Medicare tips
- Basic estate planning
- Good to know!

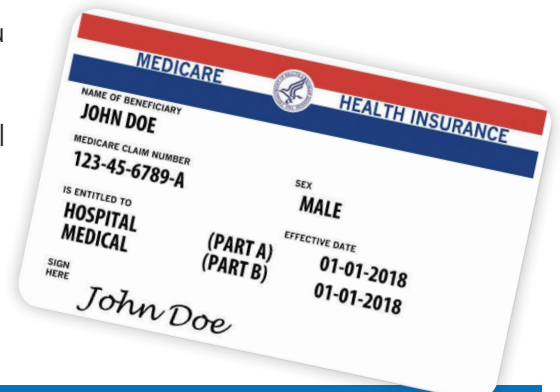
MEDICARE TIPS

Open Enrollment. You can switch providers of your Supplemental or Advantage Plan during the open enrollment period. In 2019, open enrollment runs from **October 15** to **December 7** this year. If you're unhappy with your current plan, shop around.

Call Krista for a referral to an agent who can assist you with choosing a new plan.

- **If you are within three months of age 65.** Apply for Medicare through the Social Security office or website (ssa.gov/benefits/medicare/). Don't forget! Penalties for not applying by the deadline are substantial.

If you are insured through your employer, contact them to find out how your employer-sponsored health insurance integrates with Medicare. If you currently receive Social Security benefits, you will be automatically enrolled in Medicare.



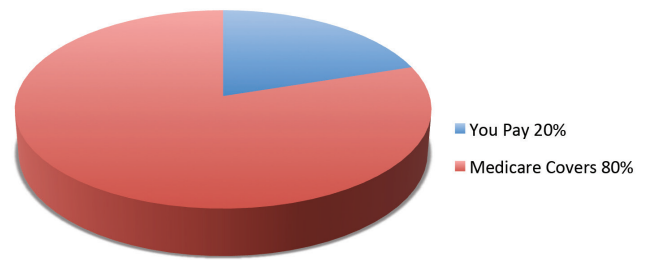
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MEDICARE TIPS *(Continued from front page)*

- **Costs.** Medicare Part A (Hospital Insurance), which basically covers inpatient hospital care, (short-term) skilled nursing, hospice and some home health care is free. Medicare Part B (Medical Insurance) which covers outpatient care, requires a monthly premium. Medicare Part D is prescription drug coverage.

Many people don't realize that the premium for Medicare Part B is income-linked so that you will pay a higher premium at certain income levels. Medicare will reference your tax returns from two tax years prior (e.g., 2019 premium will be based on your 2017 tax returns), so even though you may not be earning income in your first year of retirement you may owe a surcharge to the base premium.

Medicare generally covers 80% of costs leaving you on the hook for 20%.



- **Additional insurance.** Most people purchase some additional insurance to cover the 20% co-pay of fees and some services, like dental, vision and hearing, that Medicare doesn't cover. There are two basic ways to go about this:

- i. A Medigap plan is supplemental to Original Medicare (Parts A & B). You would also probably want to join a Medicare Prescription Drug Plan (Part D).
- ii. A Medicare Advantage plan (Medicare Part C). In this approach, a private insurer replaces "Basic Medicare." (Medicare makes payments directly to the insurer.) These plans include Parts A, B and (usually) D. They also typically include vision, hearing, and dental. They often have a defined list of providers that are "in-network."

One factor to note: It is more difficult to switch from an advantage plan to a supplemental plan, than the other way around.

■ How to choose?

Your providers. Based on our experience with clients, we find that a good first step is to find in which plans your doctors and other health care providers participate. This can sometimes narrow the field and save you researching the "best" plan only to find out your favorite provider is not covered by that insurance plan.

Medicare Advantage versus supplemental coverage (aka Medigap).

Decide which approach is right for you and then limit your search to this type of plan.

Known costs versus variable costs. There are many options available and we recommend consulting with an insurance agent who is licensed to represent these plans to help you identify the best fit for your needs. When choosing plans, you are often faced with a trade-off between higher monthly premiums and lower out-of-pocket costs or lower premiums and higher out-of-pocket costs.



Remember you will have the opportunity to switch insurers every year during open enrollment.

Your situation is unique. The tips outlined here are general and may not apply to your situation. We suggest you work with an insurance agent licensed to represent Medigap and Advantage plans to assist you in navigating the many options.

You can also find information at the Medicare website (www.medicare.gov). 

BASIC ESTATE PLANNING TIPS

Wills and other end-of-life documents aren't just for the elderly or "rich" people. EVERY adult needs them. Here is a list of common documents to have in your folder:

- **Last will and testament**

- i. Assigns beneficiaries for assets
- ii. Assigns guardian for children

- **Power of attorney for health care**

- i. Specifies authority for making health decisions in case you are unable to make them for yourself.

- **Durable power of attorney for financial matters**

- i. Specifies authority for accessing financial accounts and making financial decisions in case you are unable to make them for yourself.

- **Directive to physicians (aka "living will")**

- i. Defines the extent of interventions you desire in the event of a terminal condition. Without this document, doctors may be required to use all means available.

- **Funeral arrangements and a note**

- i. Making your wishes known is easier on family and friends.
- ii. A note that lists your financial accounts, location of important documents and items such as keys, and provides non-legal guidance can be helpful for survivors.

If you don't have these documents in place, get them! If you do have them, review them to make sure they reflect your current wishes and circumstances.

BTW – Does anyone know where you keep these documents? Might be a good idea to tell someone because you won't be around to let them know when the time comes.

New adults. Happy birthday! Your child turned 18. He/she/they is now an adult and, legally speaking, a stranger to you. Imagine the hospital refusing to provide you information about your child who just got in a car accident. Without the proper documents in hand, you could be faced with this scenario because health professionals' ability to share health information is strictly limited by HIPAA.

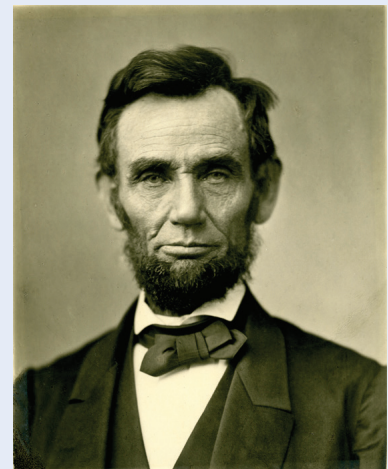
If you and your child want your involvement in their health decisions, consider executing these three forms: a HIPAA authorization, medical power of Attorney and a financial power of attorney.

The powers of attorney serve the same purpose as in estate planning. The HIPAA authorization allows medical professionals

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A FEW FAMOUS PEOPLE WHO DIED WITHOUT A WILL:

- Jimi Hendrix – a 30+ year battle over his estate ensued
- Sonny Bono – widow Mary Bono, ex-wife Cher and a "love child" laid claim to his estate
- Steve McNair – former NFL quarterback
- Kurt Cobain – local legend
- Abraham Lincoln – stood by the union, neglected his estate



Source: Commonwealth Financial Network, Consumerreports.com, legalzoom.com, Forbes.com 10/1/2019



SFP TIP


Don't forget to **review the beneficiaries to your retirement plans** (e.g., IRA accounts and employer retirement accounts) and life insurance policies. These assets will be distributed based on the beneficiary designations and are typically not governed by your will. Don't accidentally leave an ex-spouse as beneficiary of your 401k assets!

BASIC ESTATE PLANNING TIPS (Continued from inside)

to share information with you. Templates for these documents can be found online. Colleges and states may have their own forms and requirements. There are many options to limit the powers and to define when they take effect (E.g., Can the college share their grades? Can the doctor tell you about their drug use?). A legal professional can assist in making these determinations.

Call Eric or Matt for more information or a referral to an estate attorney. 

GOOD TO KNOW!

- **Document Shredding:** Bring your confidential documents anytime to our Bellevue office for shredding. We will put them in our shredding bin.
- **Secure e-mails:** We recommend that you use the secure e-mail feature in Client360 to send us any e-mails or attachments with identifying information (e.g., your birthdate, Social Security number, account numbers). Call Krista if you don't know what Client360 is or if you are unfamiliar with this feature.
- **Checking and debit card.** Want to have immediate access to your funds. You can link a debit card and checks to your non-qualified account. Ask us how.
- **Texting.** Now we can too! We now have proper monitoring technology that allows us to send texts while meeting the requirements of regulators. If you'd like to text with us, ask us how. 

SFP EVENT

**Elder Care
Sunday, January 26th**



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Specialists will tell real life stories that illustrate best practices for handling the transitions of elder care, estate planning, legal documents that allow children to care for parents, plus Medicare and long-term care planning.

This event is appropriate for seniors and the children (and others) who care for them.

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If you know someone who would like this report, call Krista at 425-598-2919.

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