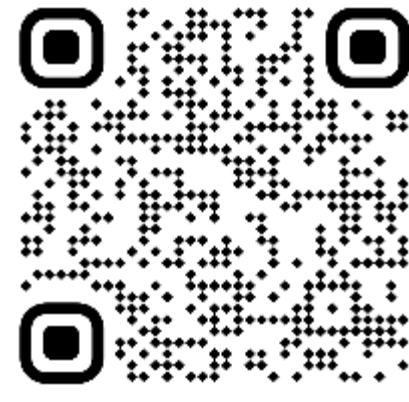


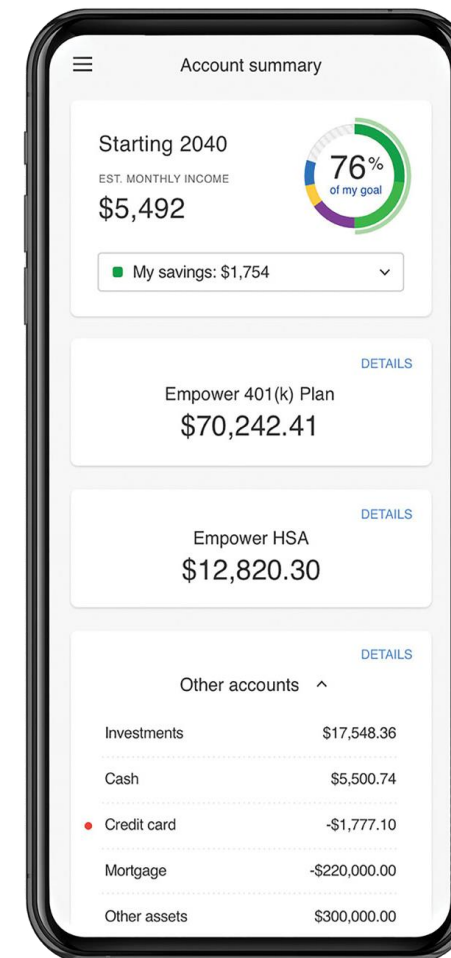
# See where your retirement savings stand

Log in to your account to see your estimated monthly retirement income and what percent of your retirement income goal you're on track to reach. Plus enjoy access wherever you are with the mobile app.

Download the app in the App Store<sup>®</sup> and on Google Play<sup>™</sup>. After you download the app, open it and follow the prompts to register your account.



or



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AN APPLE A DAY

# Planning for Healthcare Costs





# Key topics

Understanding healthcare costs

What you need to know about Medicare

Planning for your possible expenses





**Understanding  
and planning for  
healthcare costs**





# What's impacting rising healthcare costs?

While everyone's situation is different, there are some common causes for this.

- ▶ People are living longer.
- ▶ Healthcare costs are rising faster than general inflation.
- ▶ People are retiring before they are eligible for Medicare coverage.



# Healthcare costs may be your largest retirement expense

For many people, healthcare costs will be the largest expense in retirement. And those costs are expected to keep going up.

Total projected lifetime health care costs for a healthy 65-year old couple\* retiring in 2021 are expected to be \$662,156.

This excludes long-term care costs.

\*Average projected life expectancy of 87 for the male, 89 for the female.



# Common types of long-term care

Long-term care is a range of services that can help with everyday tasks.



## Homemaker services

Services that help people live in their own home

National median rate  
**\$21/hour**



## Adult day care

Support services in a community setting (less than 24 hours)

National median rate  
**\$70/day**



## Assisted living facility

Personal care and health services

National median rate  
**\$3,750/month**



## Nursing home care

Semi-private room

National median rate  
**\$235/day**  
(Private room: **\$267/day**)

Source: Genworth 2019 Cost of Care Survey, genworth.com.

You should review any insurance policy documents carefully and consult a professional before making any insurance decision.

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# Long-term care insurance includes more than you may think

Long-term care is a range of services that can help with everyday tasks.

You can receive long-term care that covers:

- › Bathing
- › Dressing
- › Housework
- › Grocery shopping





# The role of Medicare and Medicaid in long-term care

Long-term care is a range of services that can help with everyday tasks.

## What Medicare covers

- ▶ Maximum of 100 days in a nursing home
- ▶ Short-term home healthcare that meets certain conditions

## What Medicaid covers

- ▶ Nursing home services for eligible people 21 and older
- ▶ Home and community-based services for people who would need to be in a nursing home if they didn't receive home care services
- ▶ Services that will help you remain in your home, such as personal care services, laundry, etc. (Available in most states.)



Source: U.S. Department of Health and Human Services, 2018, [longtermcare.gov](https://www.longtermcare.gov).

You should review any insurance policy documents carefully and consult a professional before making any insurance decision.



**What you need  
to know about  
Medicare**





# Medicare parts A, B, C and D



**A. Hospital coverage**



**B. Medical coverage**



**C. Medicare Advantage**



**D. Prescription drug coverage**



# Your Medicare costs

Like an insurance plan through work, Medicare helps pay for many healthcare costs and services. But you will need to pay a share of the costs.

## **Premiums**

The fixed amount that you pay. Most are charged monthly and can vary from year to year.

## **Deductibles**

The set amount you pay out of pocket for covered services before your plan begins to pay.

## **Co-payments**

A fixed amount you pay at the time you receive a covered service (for example, you may pay \$20 each time you visit the doctor).

## **Co-insurance**

When you and your plan split the cost of a covered service (for example, you might pay 20% while the plan pays 80%).





# Eligibility begins when you turn 65

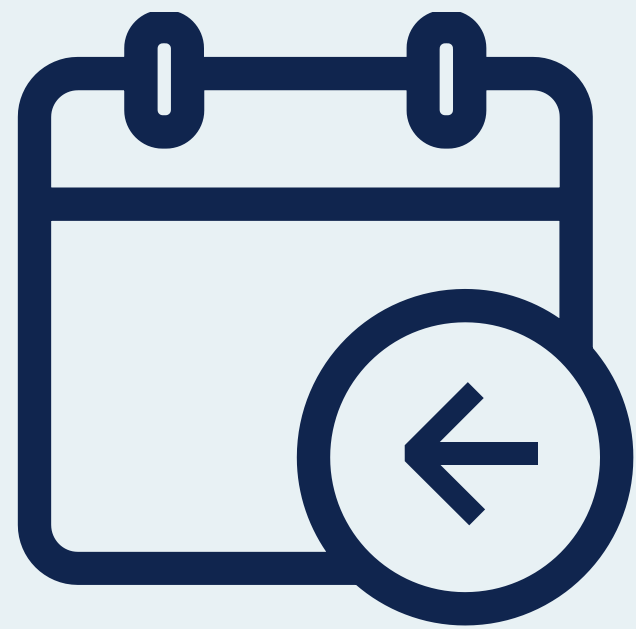
Turns out your 65th birthday is a pretty big one. Here's what you need to know about your Medicare eligibility.

- ▶ You must be 65 to enroll — your spouse's age doesn't matter.
- ▶ You may enroll even if you work past age 65.
- ▶ You may enroll even if you have health coverage through your employer or your spouse's employer.
- ▶ You may enroll even if you're not collecting Social Security yet.

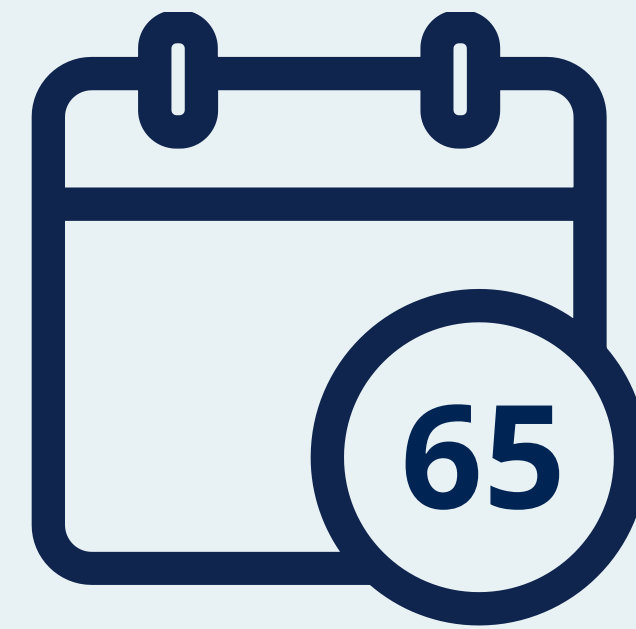




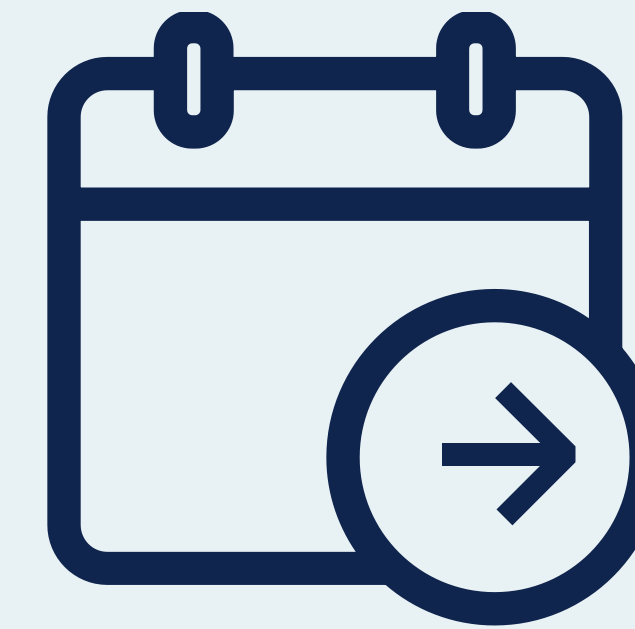
# Your initial enrollment period



3 months before



The month you turn 65



3 months after

THINK ABOUT **SIGNING UP EARLY TO AVOID GAPS IN COVERAGE AND LATE-ENROLLMENT PENALTIES.**





# Special enrollment periods

**You don't have to enroll during the initial enrollment period if you are still working and covered by a qualified plan. You can also enroll or make changes when certain life events occur, such as:**

- ▶ You move to a new address.
- ▶ You lose your current coverage.
- ▶ Your plan changes its contract with Medicare.





# Get more details about Medicare



medicare.gov

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# When you retire matters

Other ways to pay for healthcare before you turn 65



**Continued coverage  
through COBRA**



**Your spouse's health plan**



**Private or public  
health insurance**



# Healthcare, Social Security and income

Determining your estimated healthcare costs



Your age when you retire



How long you live



Healthcare cost inflation



# Where your income in retirement can come from

Social Security may not be enough. For many, Social Security will only replace a portion of income in retirement.



Social Security



Pensions and retirement plans



Income from assets



Income from earnings



Other

Many financial planners say you'll need between 70% and 90% of your pre-retirement income to live comfortably in retirement. (Your retirement plans could be a good source for replacing that income.)



# A look at monthly Social Security benefits examples

Average annual salary	\$25,000	\$45,000	\$65,000	\$85,000	\$105,000	\$142,800 and up
<b>SAMPLE MONTHLY BENEFIT AT FULL RETIREMENT AGE</b>	\$1,218	\$1,732	\$2,245	\$2,620	\$2,861	\$3,338

**Like most people, you're probably thinking "I'm going to need more than that."**

Source: 2021 Guide to Social Security.

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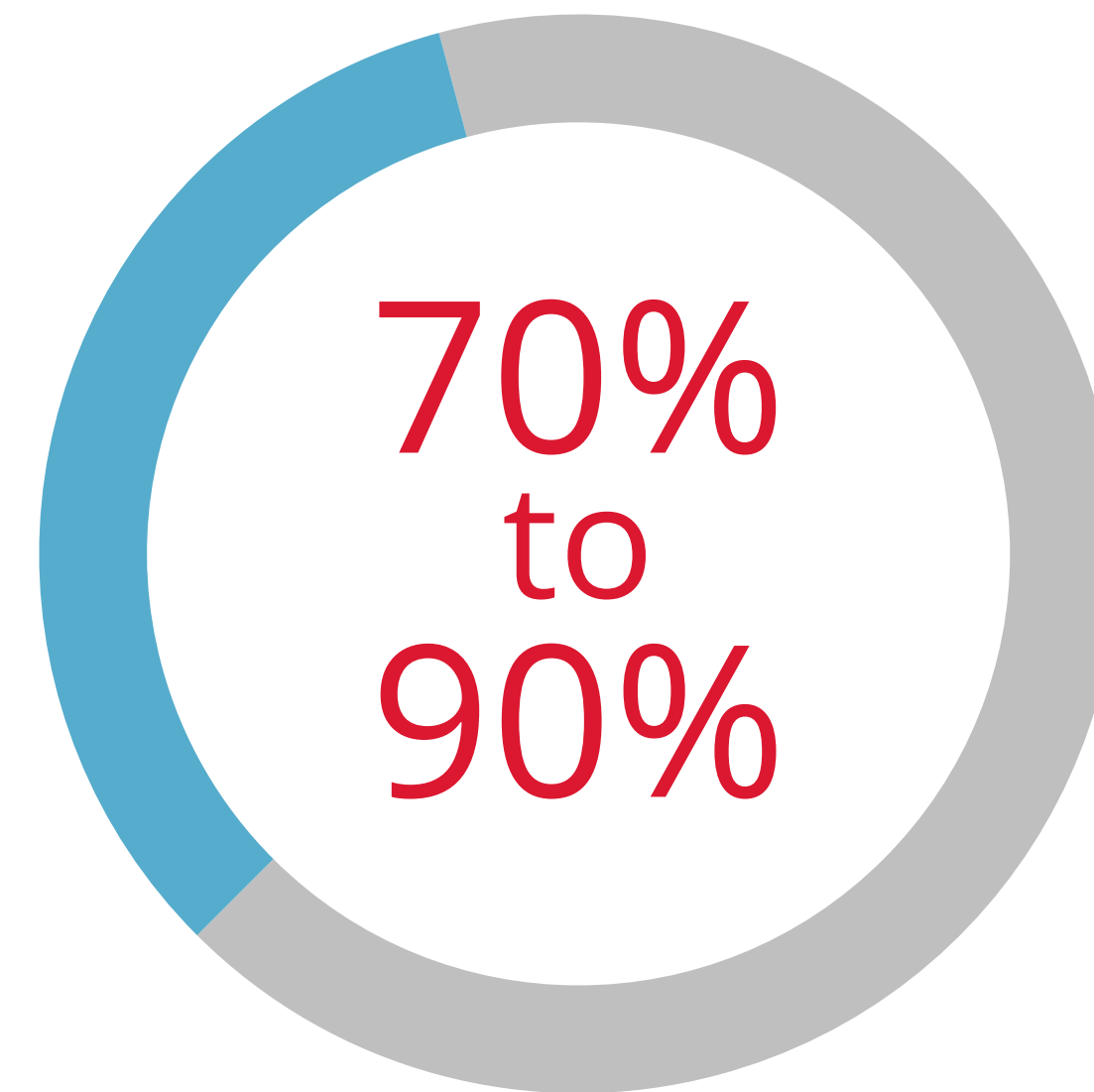


# Because Social Security alone isn't enough

Social Security only covers so much. It can help with your everyday living costs, but it likely won't get you to the retirement you have in mind.



What Social Security is designed to replace



What financial advisors typically recommend you replace





# How much you can contribute

Like everything in life, there are some rules when it comes to contributing to your plan.

- ▶ IRS limit for an individual: \$22,500
- ▶ Catch-up contributions: An additional \$7,500 for people 50 and older





# Becoming a smarter investor starts by understanding the language

Understanding the terminology and principles of investing, as well as how they work together, may help set you up for success.

- ▶ Asset classes
- ▶ Asset allocation
- ▶ Diversification
- ▶ Rebalancing



Asset allocation, diversification, dollar-cost averaging and/or rebalancing do not ensure a profit or protect against loss.

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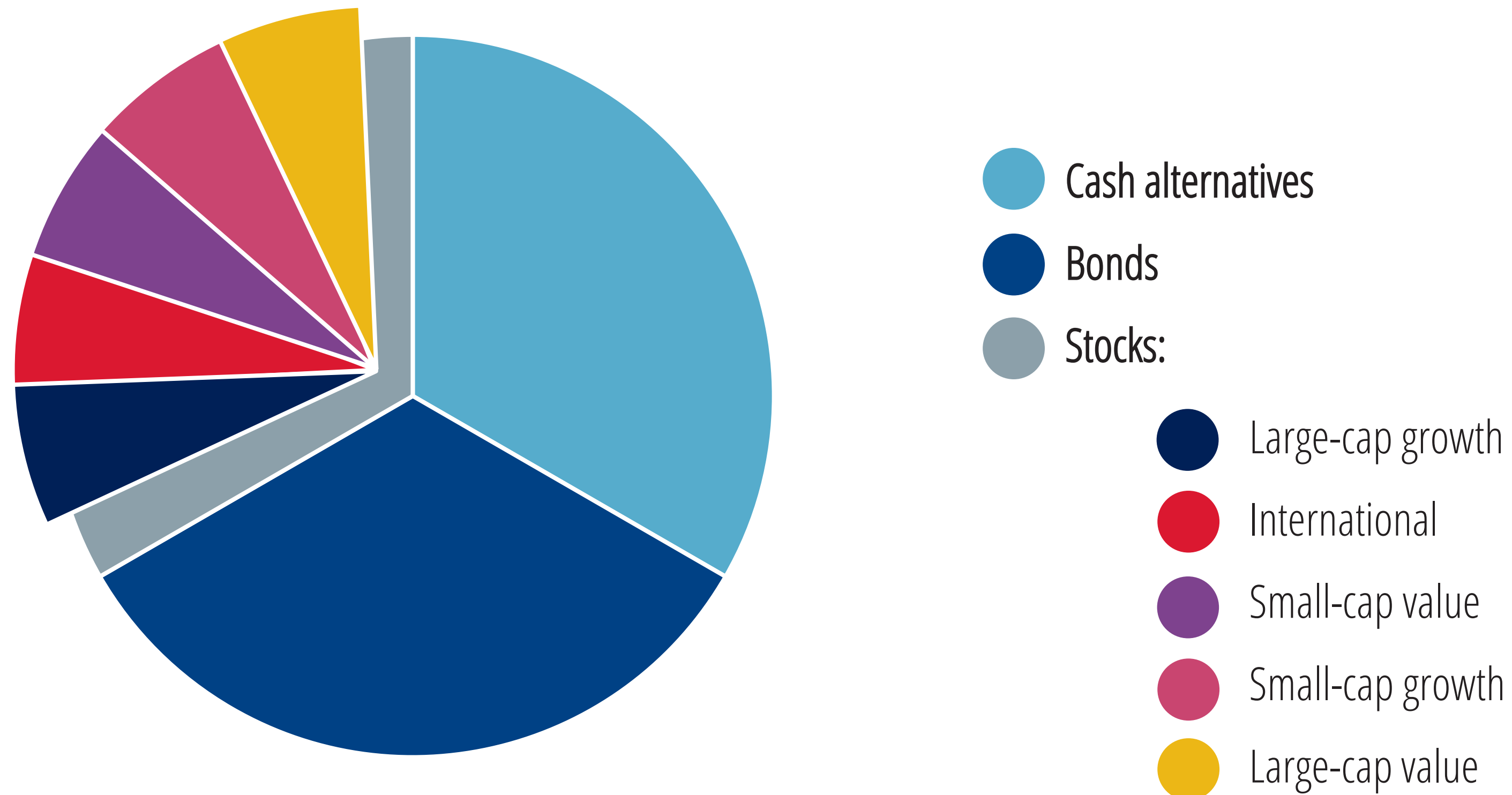




# Why diversification matters

Diversifying your investments may help you offset market volatility and manage the overall risk of your portfolio.

## Sample of diversified investments



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Diversification does not ensure a profit or protect against loss.

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# Revisit your retirement savings plan

- ▶ Select your beneficiaries.
- ▶ Save as much as you're comfortable saving.
- ▶ Consider the options you have related to any previous retirement plans.





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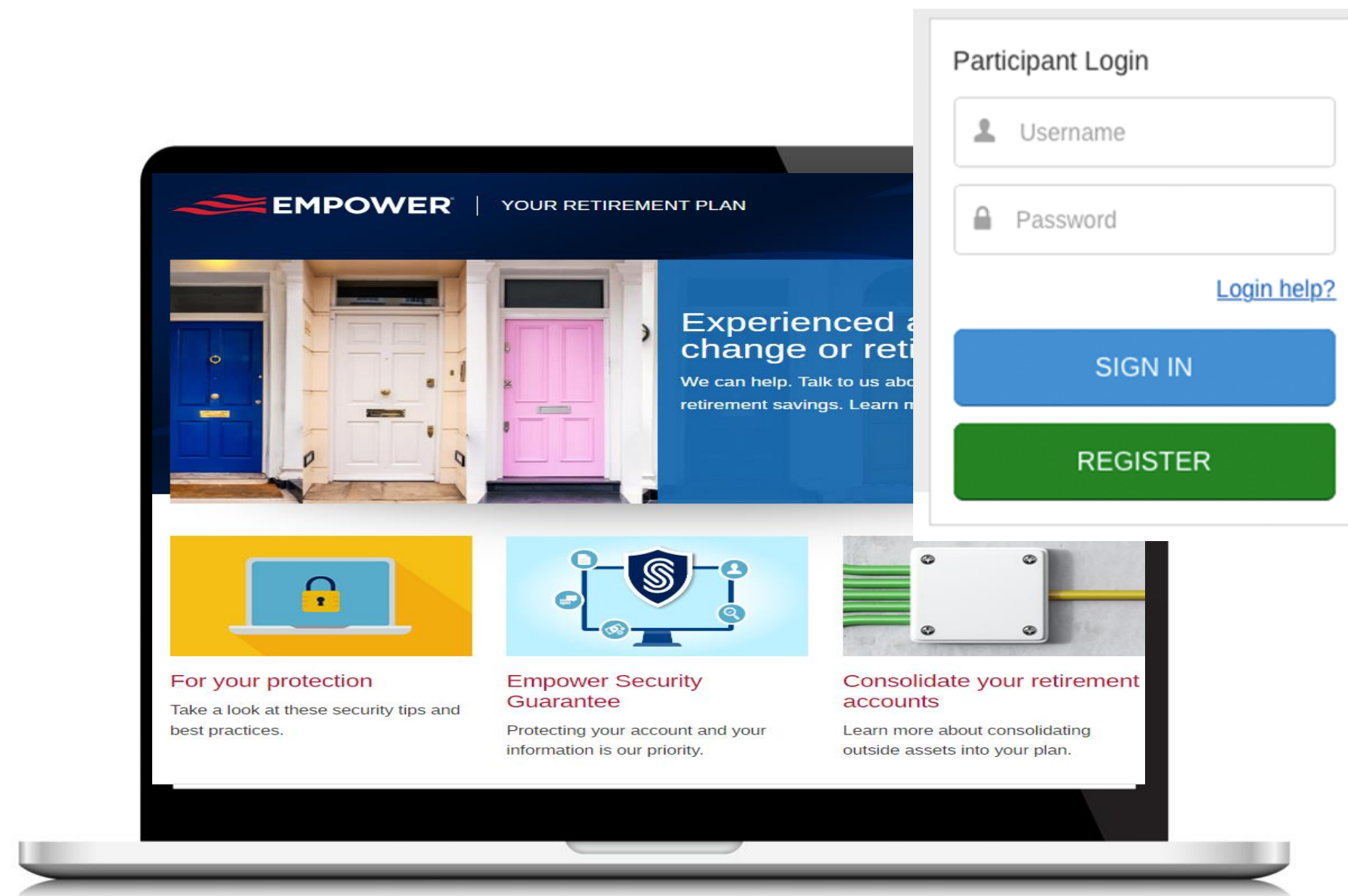
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Your RPA is authorized to act as both an investment advisor representative of EAG and a registered representative of EFSI. Your RPA acts as an EAG investment advisor representative when providing investment counseling or recommendations and as a EFSI registered representative when executing securities transactions on your behalf.

Your RPA may conduct a Retirement Readiness Review with you and educate you about available investment options and products offered by EAG. During a Retirement Readiness Review, you will meet with a plan advisor to discuss your current and future goals. Your RPA will look at your full financial picture and provide tailored recommendations in order to help you achieve your personal retirement readiness. Your RPA will assist you with learning about (and, when appropriate, enrolling in) Empower managed accounts solutions, rollovers into plan options, optimized investment allocation and savings amounts, financial planning, general financial wellness, health savings accounts (HSAs), distribution options, and additional products/ solutions offered by your plan and aligned with your needs. While basic investment strategies consider only your age, the service of your RPA includes consideration of a wide range of factors to develop a more in-depth picture of who you are before creating a strategy that best fits your individual needs. Your RPA considers your individual financial situation and goals to create a plan designed to help you reach the future you want. Your RPA, acting on behalf of EFSI, can assist you with executing securities transactions related to the recommendations they provide. There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

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# Questions

