

BOOMER

INSURANCE GROUP

AGENCY INC.

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Social Security & Medicare

*Maximizing **Contributions** for a Secure Retirement*

Question 1

The earliest you can receive a Social Security Benefit based on your personal work history is age 62

T / **F**

False:

Based on age and on certain work credit calculations....you can receive Social Security benefits on your personal work history earlier than age 62 if you are found eligible for Social Security Disability Income (SSDI)

Question 2

If you are over the age of 65 you can no longer contribute to a Health Savings Account (HSA)

T / **F**

False:

Even over the age of 65, You **are** allowed to continue contributions to HSA accounts if you are covered by a High Deductible Health Plan (HDHP) and do **not** have any other health coverage including any part of Medicare. (Part A or Part B)

Question 3

After you are on Medicare you cannot contribute to a Flexible Spending Account (FSA)

T / **F**

False:

You *are* able to contribute to a Flexible Spending Account while currently on any part of Medicare.

Question 4

At age 65 you must *register* with Medicare and can *defer* coverage if you do not want/need Medicare coverage.

T / **F**

False:

You are not required to register, enroll, or do anything with Medicare at age 65. For certain reasons it may be a good idea to enroll but it is not a requirement.

Question 5

If you are covered by a group health plan you are **not** required to enroll into Medicare.

T / **F**

True: If the company has more than 20 fulltime eligible employees **and** the plan's drug coverage is considered **creditable**.

False: If the company has less than 20 fulltime eligible employees, the group health plan is not self insured, then you will **need to enroll** into both parts of Medicare (Part A and Part B).

Option #1

Medicare Supplement

Member:
Bill Murray
Plan F , Plan G , Plan N etc.

2022 Medicare Costs



Office: 804-464-8960
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Income Related Monthly Adjustment Amount (IRMAA)
Your Modified Adjusted Gross Income (MAGI) as reported to the IRS from 2 years ago is above a certain amount.

Part B Monthly premium payment

If your yearly income in 2020 was...

File individual tax return	File joint tax return	You pay (in 2022)
\$91,000 or less	\$182,000 or less	\$170.10
above \$91,000 - \$114,000	above \$182,000 - \$228,000	\$238.10
above \$114,000 - \$142,000	above \$228,000 - \$284,000	\$340.20
above \$142,000 - \$170,000	above \$284,000 - \$340,000	\$442.30
above \$170,000 - \$500,000	above \$340,000 - \$750,000	\$544.30
greater than or equal to \$500,000	above \$750,000	\$578.30

Part D Monthly premium payment

If your income is above certain limits, you will pay an Income Related Monthly Adjustment Amount (IRMAA) in addition to your Part D prescription drug plan monthly insurance premium payment.

File individual tax return	File joint tax return	You pay (in 2022)
\$91,000 or less	\$182,000 or less	your plan premium
above \$91,000 - \$114,000	above \$182,000 - \$228,000	\$12.40 + your plan premium
above \$114,000 - \$142,000	above \$228,000 - \$284,000	\$32.10 + your plan premium
above \$142,000 - \$170,000	above \$284,000 - \$340,000	\$51.70 + your plan premium
above \$170,000 - \$500,000	above \$340,000 - \$750,000	\$71.30 + your plan premium
greater than or equal to \$500,000	above \$750,000	\$77.90 + your plan premium

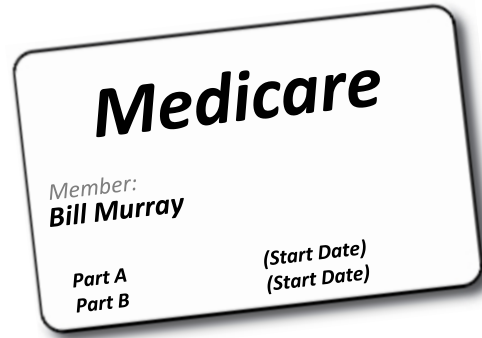
Option #2

Medicare Advantage

Member:
Bill Murray
HMO - PPO

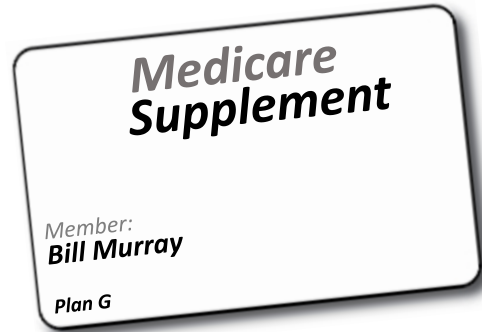
Option #1 "Car"

3 ID Cards



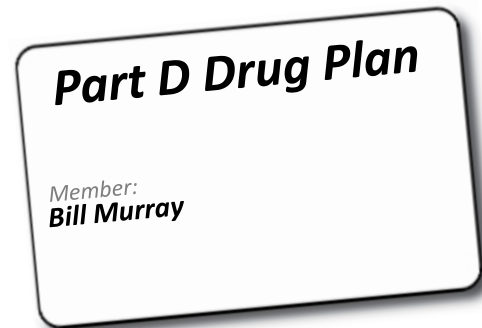
\$170.10 Medicare Part B monthly payment.
+IRMAA **Part B** additional monthly payment

Medicare pays 80% after I pay
my Medicare medical annual deductible of \$ 233.



\$ 110 Medicare Supplement plan monthly payment

Supplement Plan pays all the remaining 20%.



\$ 13 Part D Drug Plan monthly payment
+IRMAA **Part D** additional monthly payment

co-pays for prescriptions vary depending on the drug tier
and the pharmacy I go to.

**Total Monthly
Payment
\$293**

Option #2 "Bus"

1 ID Card



Network of Doctors.

Co-pays for every service

Co-pays for prescriptions vary depending on the drug tier and the pharmacy I go to.

\$170.10 Medicare Part B monthly payment
+IRMAA **Part B** additional monthly payment
+IRMAA **Part D** additional monthly payment

+ \$ 0 monthly payment for Advantage Plan

Scenarios

Planning plays a role...

Working & Spouse Health Coverage

Clients: Jack & Diane

Group Plan:

Monthly payment

Jack (employee only) \$100

Jack + Diane: **\$800** (*Diane's portion \$700*)

Benefits:

Deductible = \$1,500 / **\$3,000**

Out of Pocket Maximum = \$3,000 / **\$6,000**

VS

Medicare:

Monthly payment

Jack only = \$100

Diane moves to Medicare = **\$293**

\$407 Monthly Savings

Benefits:

Jack = \$1,500 Ded. & \$3,000 MaxOOP

Diane: Medicare...better coverage & less cost

* **\$407 Monthly Savings ...401k increase +50% employer match**

* **\$407 x 1.5 = \$610 monthly 401k = \$610 x 12mo. = \$7,326**

\$7,326 years x 3 years = \$22,653 additional in 401K at retirement

HSA - Group Coverage – Medicare (2022)

- HSA Contributions

- \$3,650 individual / \$7,300 Family Max
- \$1,000 “Catch-up” Additional amount (over age 55)
- \$9,300 Potential married couple max level

- HSA Prorated Contributions

- Example: Client enrolls into Medicare Sept 1st
 $\$3,650 + \$1,000 = \$4,650$ year max
 $\$4,650 / 12\text{months} = \387.50 monthly prorated amount
 $\$387.50 \times 8$ eligible months = \$3,100 max (2022)

Small – Medium Businesses

- **Two reasons group rates go up?**
 - Aging workforce
 - Higher medical claims per group
- **Why are Medicare eligible employees staying on group plans?**
 - Younger Spouses
 - Kids under age 26
 - Group Health Insurance Agents.....

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Two Main Options

Option #1



Option #2

