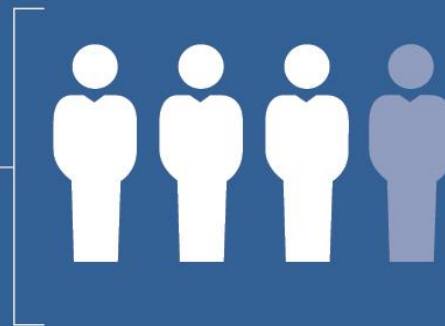




NATIONWIDE RETIREMENT INSTITUTE®

Health care

Plan for costs in retirement



3 OUT OF **4** AMERICANS
*say health care costs getting
out of control is one of their
top fears in retirement.¹*

¹ "Nationwide Health Care Consumer Survey," conducted by The Harris Poll on behalf of the Nationwide Retirement Institute (July 2020).

Agenda

- The retirement income challenge
- Understanding the health care opportunity
- Creating a plan to address health care costs



Nationwide Retirement Institute

**EDUCATION
& INSIGHTS**

**ACTIONABLE
TOOLS**

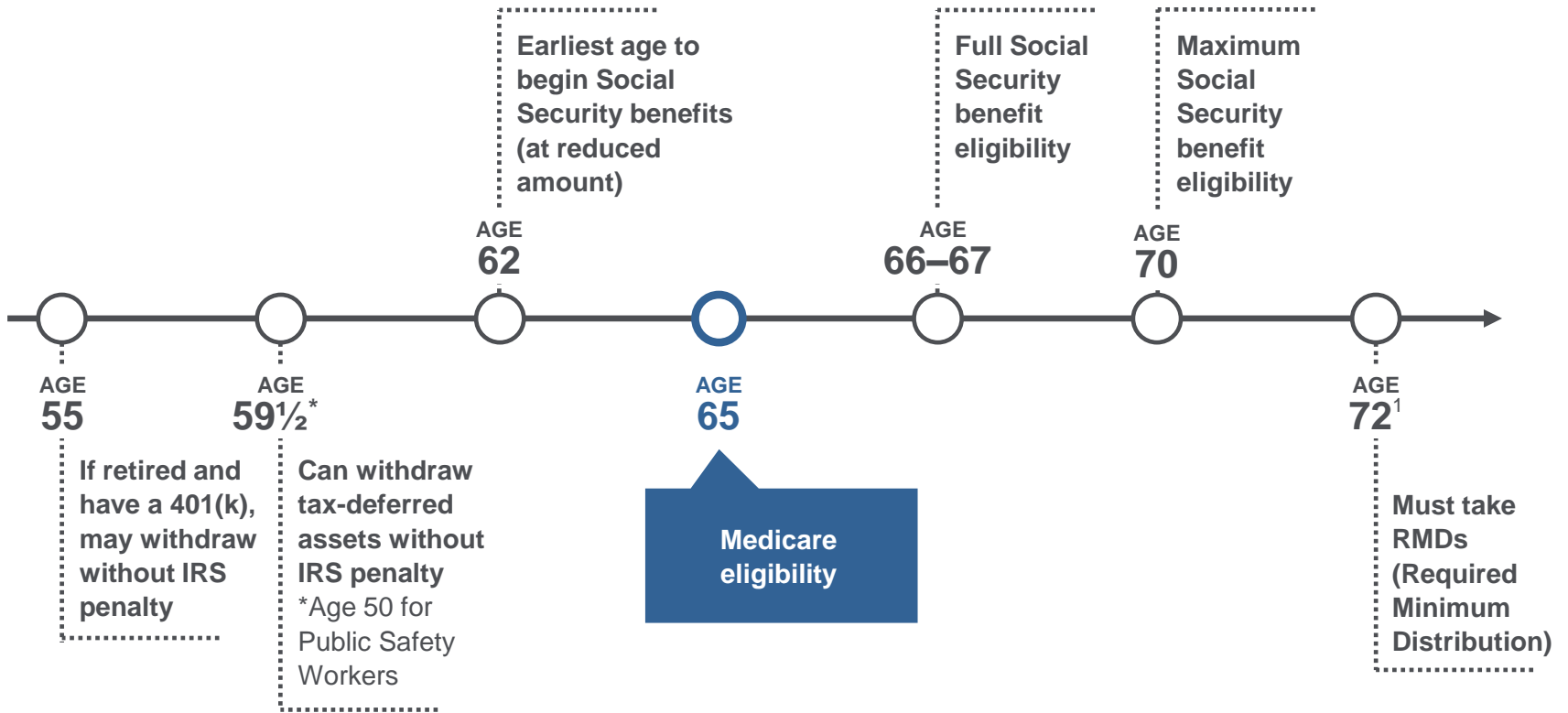
**CONSULTATIVE
SUPPORT**

— The retirement income —

Challenge

Retirement decision points

Retirees need to make a series of important decisions between ages 55 and 72



¹The RMD is the minimum amount the IRS requires to be withdrawn each year from a qualified retirement plan or traditional IRA. RMDs must begin by April 1st of the calendar year following the year the participant reaches age 72, or age 70½ if the participant turned that age prior to 2020.

THE RETIREMENT INCOME CHALLENGE

How do I invest
for **growth**?

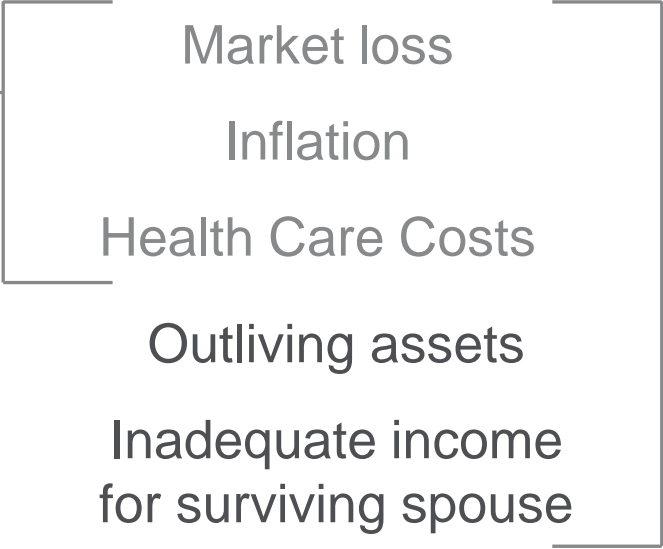
How do I **protect**
my assets?

How much **income**
can I take and when?



THE RETIREMENT INCOME CHALLENGE

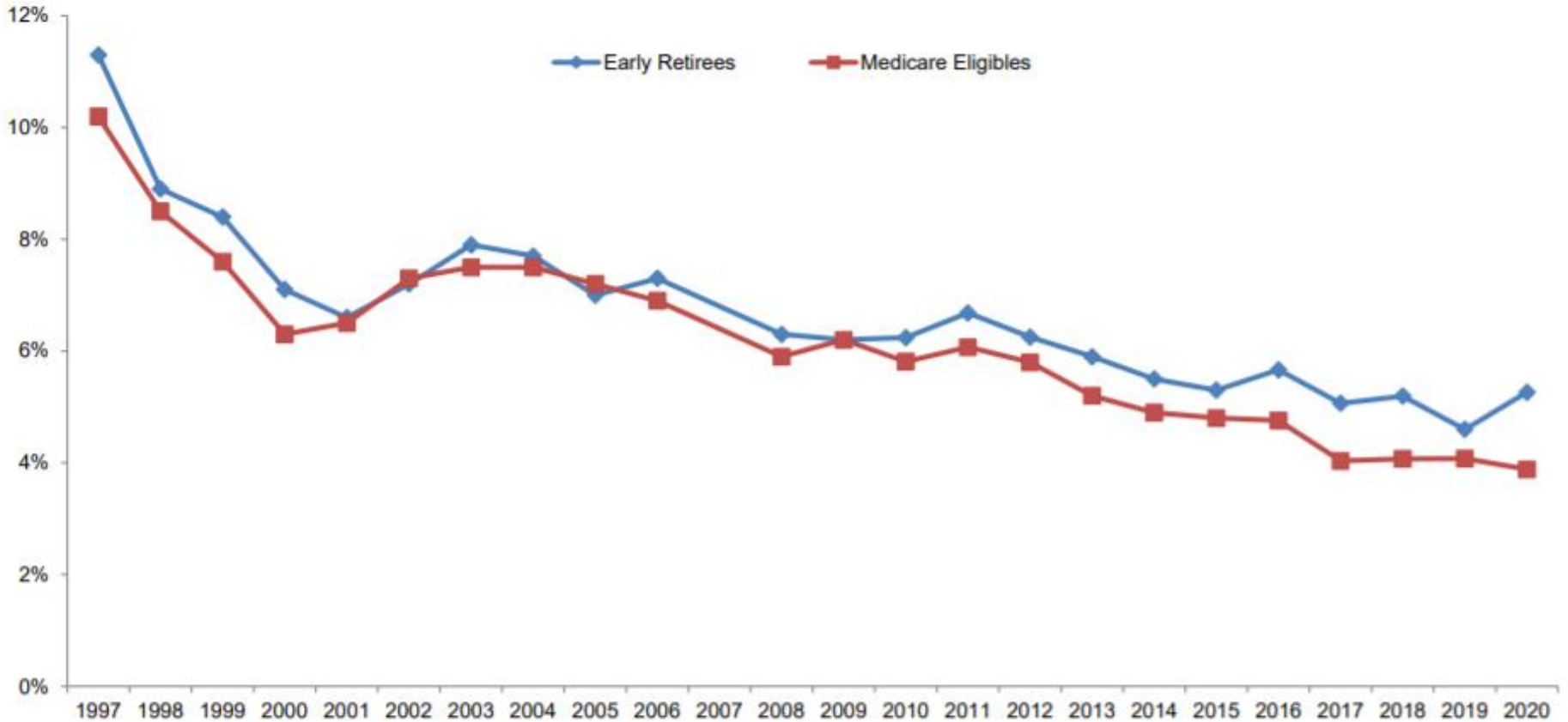
Risks before retirement



Risks in retirement

THE RETIREMENT INCOME CHALLENGE

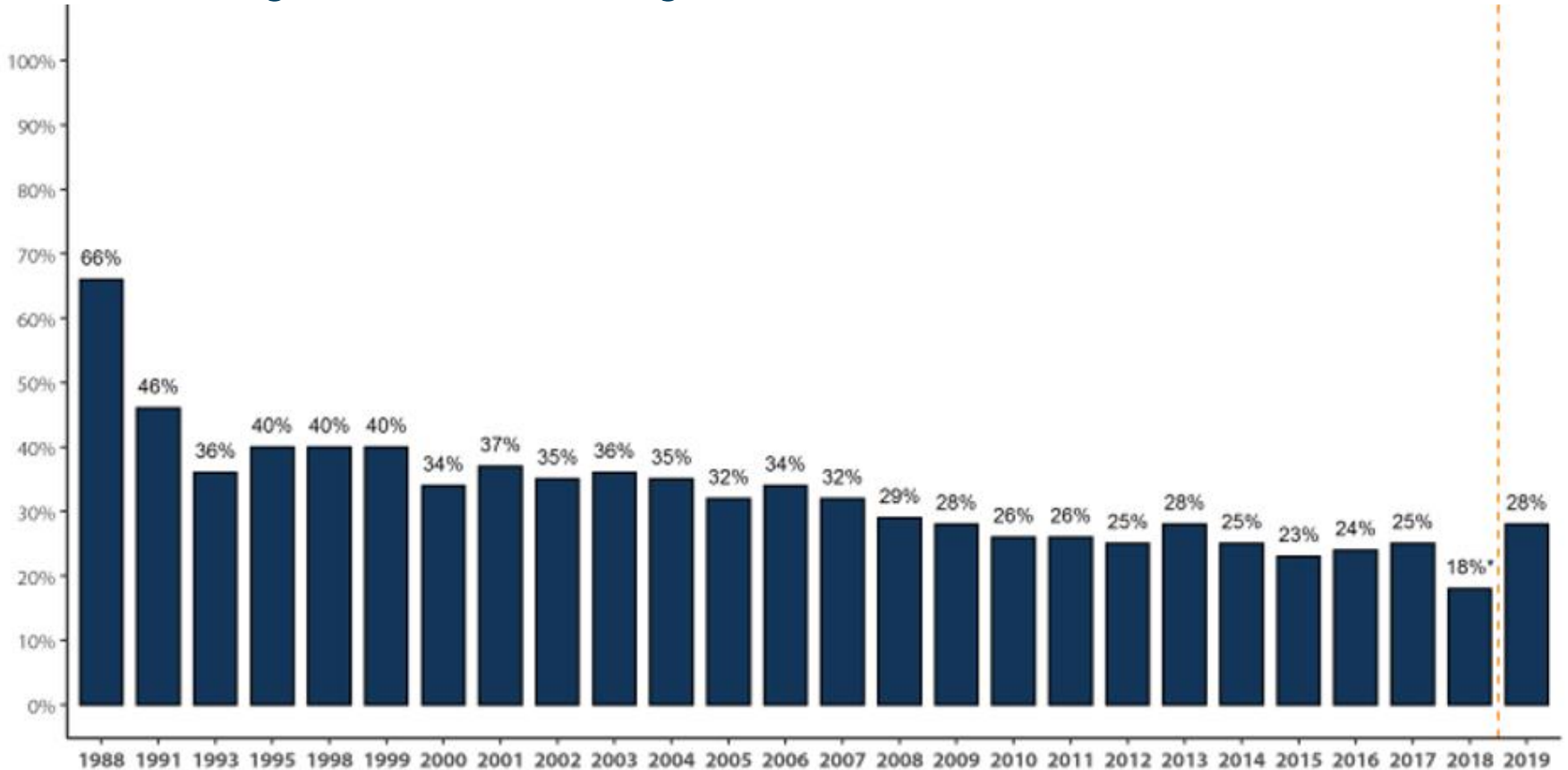
Percentage of private-sector workers employed by establishments offering health insurance to retirees, 1997-2020



Source: EBRI estimates from various tables at http://meps.ahrq.gov/mepsweb/data_stats/quick_tables_search.jsp?component=2&subcomponent=1.

THE RETIREMENT INCOME CHALLENGE

Among Large Firms Offering Health Benefits to Active Workers, Percentage of Firms Offering Retiree Health Benefits 1988-2019



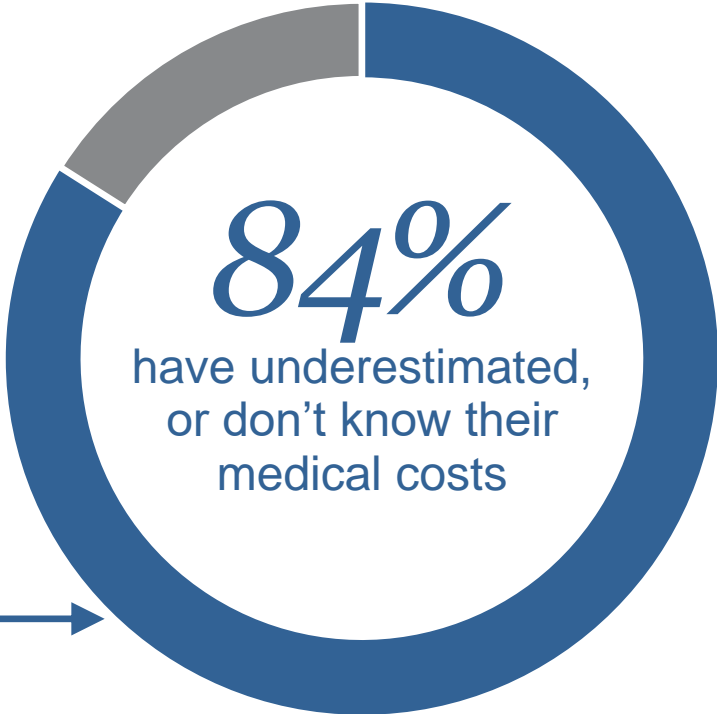
* Estimate is statistically different from estimate for the previous year shown ($p < .05$). No statistical tests are conducted for years prior to 1999.

NOTE: Large Firms have 200 or more workers. In 2019 this question was edited. Because of this there was no statistical testing between 2018 and 2019. See the Methods section for details.

SOURCE: KFF Employer Health Benefits Survey, 2018-2019; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017; KPMG Survey of Employer-Sponsored Health Benefits, 1991, 1993, 1995, 1998; The Health Insurance Association of America (HIAA), 1988.

Consumer estimate of annual health care costs in retirement

\$26K+:	1%
\$16K - \$25K:	1%
\$11K - \$15K:	3%
\$6K - \$10K:	10%
\$1K - \$5K:	40%
Not sure/can't estimate:	44%



Nationwide/Harris Poll "Health Care and Long-Term Care Study." Consumer study of 1,462 adults 50 and older with investable assets \$50K or more and 516 adults 50 and older who are caregivers, 2019.

— Understanding the health care —

Opportunity

The 411 on health care

- Managing the cost of health care is one of the most complex issues facing society
- Health care costs will be one of the most significant expenses in retirement

THE HEALTH CARE OPPORTUNITY

Health care costs can have a significant impact on investors.

39% would take money out of a 401(k)/retirement plan

43% would take money out of an investment account not part of a 401(k)/retirement plan

Nationwide/Harris Poll "Health Care and Long-Term Care Study." Consumer study of 1,462 adults 50 and older with investable assets \$50K or more and 516 adults 50 and older who are caregivers, 2019.

Health care is a major concern.

75% of adults say one of their top fears in retirement is their health care costs being out of control¹

Third-largest expense in retirement, following only housing and transportation²

5.5% projected annual growth in health care spending through 2027³

¹ "Nationwide Health Care Consumer Survey," conducted by The Harris Poll on behalf of the Nationwide Retirement Institute (July 2020).

² U.S. Bureau of Labor Statistics Consumer Expenditures (2020).

³ "National Health Expenditure Projections, 2019–28," Centers for Medicare and Medicaid Services (2019).

Consumers want help.

67% of adults do not feel knowledgeable about estimating how much they'll need to cover health care costs in retirement

76% wish they understood Medicare coverage better

43% of future retirees under 50 plan on talking to a financial professional about health care costs

Source: "Nationwide Health Care Consumer Survey," conducted by The Harris Poll on behalf of the Nationwide Retirement Institute (July 2020).

— Understanding —

Health care

UNDERSTANDING HEALTH CARE

- The impact of health care costs on retirement income
- Understanding health care specifics

Health care expenses

Out-of-pocket health care estimates
for a 65-year-old couple can reach

\$270,000 – \$325,000
during retirement.

Source: “A Bit of Good News During the Pandemic: Savings Medicare Beneficiaries Need for Health Expenses Decrease in 2020,” Paul Fronstin and Jack VanDerhei, EBRI (May 28, 2020).

Health care expenses

64%

of future retirees think Medicare
covers Long-term Care

"Nationwide Health Care Consumer Survey," conducted by The Harris Poll on behalf of the Nationwide Retirement Institute (July 2020).

Option 1

Original Medicare
Part A and Part B +

Secondary insurance
GHI, MedSup +

Rx coverage
Part D or GHI

or

Option 2

Medicare
Advantage (Part C)

1. Hospitalization
 2. Medical
 3. Rx (MA-PD)
-

Option 1 – Medicare Part A: Hospital Insurance

PATIENT COSTS FOR AN IN-HOSPITAL STAY, 2022

-
- Inpatient hospitalization
 - Skilled nursing facilities
 - Home health care
 - Hospice
-

Days 1–60	\$1,556 deductible
-----------	--------------------

Days 61–90	\$389 per day copay
------------	---------------------

Days 91–150	\$778 per day copay
-------------	---------------------

Days 150+	All costs
-----------	-----------

Source: Medicare.gov, December 2021.

Option 1 – Medicare Part B: Medical Insurance

INDIVIDUAL PAYS, 2022

-
- Doctors/providers
 - Preventive benefits
 - Durable medical equipment
 - Outpatient services
-

Monthly premium (based on MAGI)

\$233 deductible

20% coinsurance on doctors' services and outpatient care

Source: Medicare.gov, January 2021.

Option 1 – Medicare Part B: Monthly Premiums

IF YOUR YEARLY INCOME IN 2020 WAS: YOU PAY (2022)

Filed individual tax return	Filed joint tax return	
\$91,000 or less	\$182,000 or less	\$170.10
\$91,001–\$114,000	\$182,001 - \$228,000	\$238.10
\$114,001–\$142,000	\$228,001 - \$284,000	\$340.20
\$142,001–\$170,000	\$284,001 - \$340,000	\$442.30
\$170,001–\$499,999	\$340,001 - \$749,999	\$544.30
above \$500,000	above \$750,000	\$544.30

Source: Medicare.gov, December 2021.

Option 1 – Medicare Part D: Prescription Drug Coverage

- Available two ways:
 - Stand-alone Prescription Drug Plans (PDPs)
 - Through Medicare Advantage Plans (MAPDs)

- ALL people with Medicare can get Part D

- Open Enrollment October 15 to December 7:
 - Other enrollment times based on circumstance
 - Coverage begins January 1

Option 1 – Medicare Part D: Prescription Drug Coverage

Coverage may change

- > Should review every year

Prescription drugs

- > Lists of approved drugs vary by plan

Premiums vary

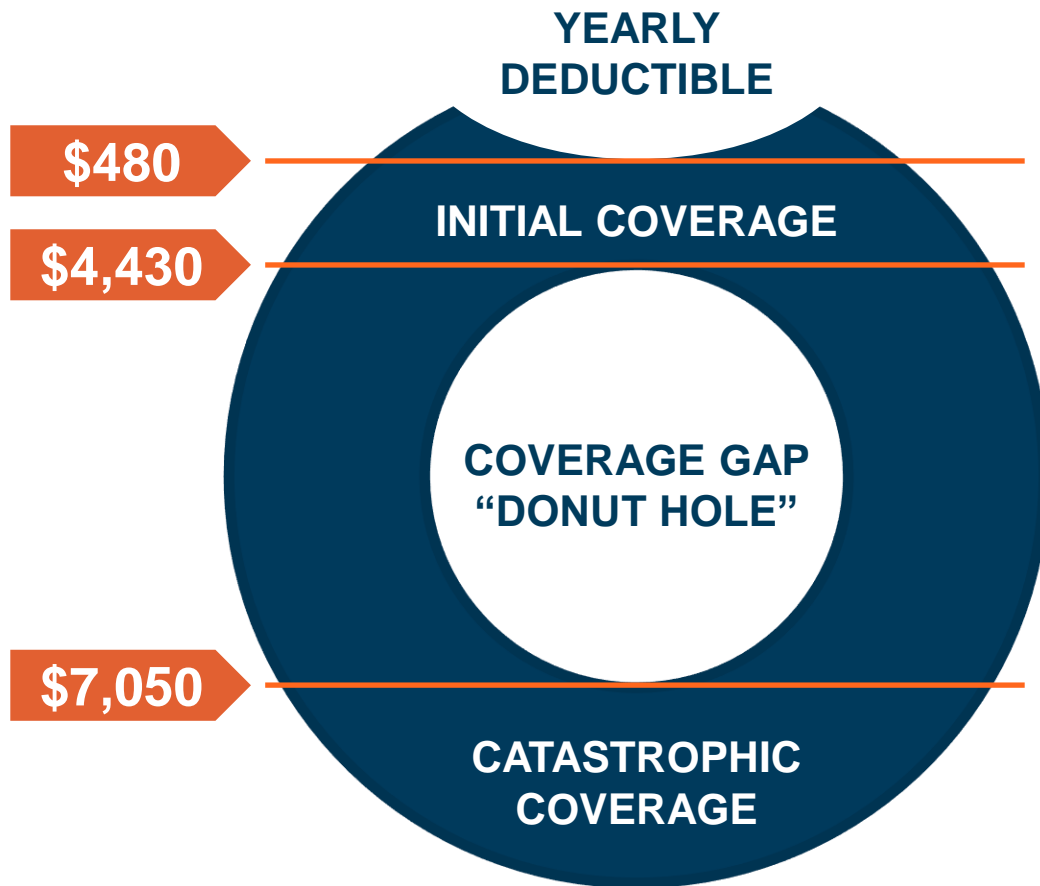
- > Subject to IRMAA and late enrollment penalties

Income-Related Monthly Adjustment Amount (IRMAA)

2020 individual income (MAGI)	Married income (MAGI)	Part D
\$91,000 or less	\$182,000 or less	Plan premium
\$91,001 – \$114,000	\$182,001 – \$228,000	+ \$12.40
\$114,001 – \$142,000	\$228,001 – \$284,000	+ \$32.10
\$142,001 – \$170,000	\$284,001 – \$340,000	+ \$51.70
\$170,001 – \$499,999	\$340,001 – \$749,999	+ \$71.30
\$500,000 and above	\$750,000 and above	+ \$77.90

Chart source: <https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/monthly-premium-for-drug-plans> (December 2021).

Option 1 – Medicare Part D: “Donut Hole” (2022 Figures)



Phase 1

Deductible: Patient pays 100%

Phase 2

Initial coverage: Plan-specified co-payment or co-insurance for each medication

Phase 3

Donut hole: Pay no more than 25% of cost of covered drugs

Phase 4

Catastrophic coverage: Pay a small amount for covered drugs

Option 1 – Medigap: Medicare supplemental insurance



- > Helps cover out-of-pocket costs
- > Typically pays only for services approved by Medicare

Medicare supplement insurance (Medigap) plans

	A	B	C	D	F ¹	G ¹	K	L	M	N
Part A co-insurance and hospital costs	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Part B co-insurance or co-payment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100% ²
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care co-insurance or co-payment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care co-insurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
Out-of-pocket limit in 2022 ³	N/A	N/A	N/A	N/A	N/A	N/A	\$6,620	\$3,310	N/A	N/A

Plans C and F are not available to people who are *newly* eligible for Medicare, as of 1/1/2020.

¹ Plans F and G also offer a high-deductible plan in some states.

² Plan N pays 100% of the Part B co-insurance, except for a co-payment of up to \$20 for some office visits and up to a \$50 co-payment for some emergency room visits.

³ Plans K and L have an out-of-pocket yearly limit.

Cost of Medicare Premiums

	Monthly	Annual
Medicare Part A	\$0	\$0
Medicare Part B	\$170.10	\$2,041.20
Medicare Part D	\$44.97	\$539.64
Medigap Plan G	\$225	\$2,700
Total per person	\$440.07	\$5,280.84
Total per couple	\$880.14	\$10,561.68

This grid shows you the actual cost of premiums based on a couple's annual income below \$182,000 married filed jointly. This is for illustrative purposes only.

Medicare.gov, December 2021.

Medicare.gov., December 2021. Cost for Medigap Supplement Policy G in Columbus, Ohio regular deductible. Ranges from \$100-350

Option 2 – Medicare Part C: Medicare Advantage Plans

Offered by private companies to replace Original Medicare and secondary insurance

Numerous options by county:

- Managed Care (HMO/PPO)
 - Non-Managed Care (PFFS/MSA)
-

Most plans include Part D benefit (MA-PD)

continued >

Option 2 – Medicare Part C: Medicare Advantage Plans *(continued)*

Hearing, dental, and vision may be covered

Costs may increase for out-of-network doctors

Available to those:

- As an alternative to Parts A & B
 - That live within the plan's service area (county)
 - That do NOT have End Stage Renal Disease
-

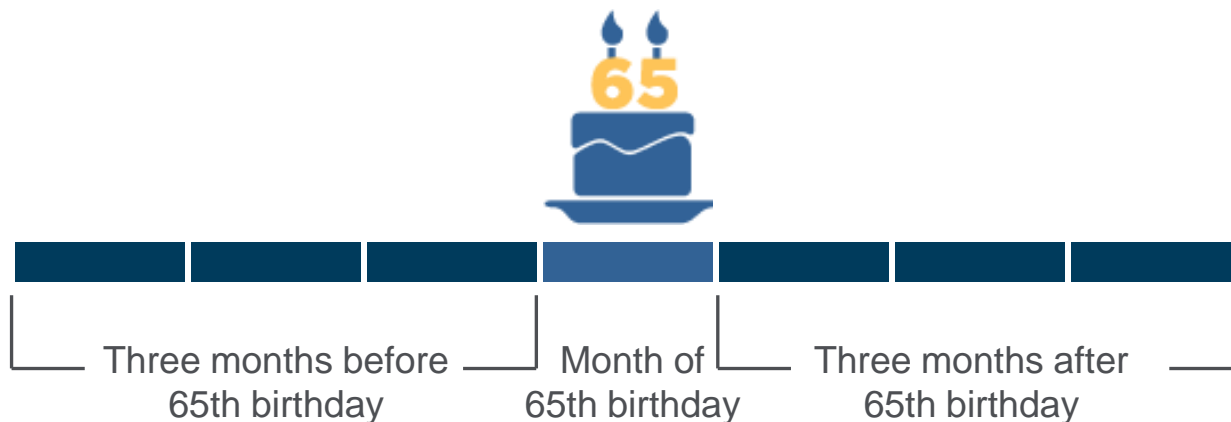
Enrollees pay Part B premium and any other applicable costs

Applying for Medicare



Enrollment is automatic if clients get Social Security or Railroad Retirement benefits prior to Medicare eligibility

All others must apply with Social Security (or Railroad Retirement) during their seven-month Initial Enrollment Period (IEP)



The sooner, the better.

Switching plans

Guaranteed

Original Medicare + Medigap



Medicare Advantage



OK during open enrollment

Medicare Advantage



Different Medicare Advantage



OK during open enrollment

Not guaranteed (subject to medical underwriting)

Original Medicare + Medigap



**Original Medicare + Different
Medigap**



Can try anytime



May be denied

Medicare Advantage



Original Medicare + Medigap



May be denied anytime except during a
special enrollment period

Leverage these health care planning resources



[Nationwidefinancial.com/healthcare](https://www.nationwidefinancial.com/healthcare)

[Nationwidefinancial.com/medicare](https://www.nationwidefinancial.com/medicare)

[Medicare.gov](https://www.Medicare.gov)

[shiptacenter.org](https://www.shiptacenter.org)

[cms.gov](https://www.cms.gov)

[hhs.gov/answers/medicare-and-Medicaid](https://www.hhs.gov/answers/medicare-and-Medicaid)

[ncoa.org](https://www.ncoa.org)

Creating a plan

— to address health care costs —

Americans underestimate retirement health care costs

- The majority of pre-retirees have underestimated the cost of health care in retirement¹
- Help your clients eliminate the guesswork with a personalized Health Care Cost Assessment from Nationwide

¹Nationwide/Harris Poll "Health Care Costs in Retirement Consumer Survey." Consumer study of 1,817 adults 25 and older, 2021.

Determine individual health care costs

- Assessments available in the market
 - Powered by calculations from one of the world's leading actuarial firms
 - Provides a personalized estimate of possible annual health care expenses
 - Includes estimates for Medicare, out-of-pocket and long-term care expenses

Personalized Health Care Cost Assessment

HEALTH PROFILE

LONGEVITY

AVERAGE ANNUAL EXPENSES
FOR HEALTH CARE

IMPACT OF NOT TAKING ACTION

HEALTH CARE AND LTC COST ASSESSMENT



Be prepared for health care costs

*A personalized estimate of retirement health care
costs to help you plan for the future*

Personalized Health Care Cost Assessment
Includes Medicare, out-of-pocket, and long-term care expense estimates
Designed for Jim Smith and Linda Smith
Monday, January 4, 2021

Prepared by Sample Producer

***** XX 9999
(999) 999-9999

The information collected on the Personalized Health Care Cost Assessment will be kept confidential and used to provide an estimate of a client's potential health care costs in retirement. The estimate is based on a client's specific financial situation and goals, as well as their current overall health condition. The client's financial situation and health conditions may change over time and this may affect their future charges. Please keep in mind that the estimates resulting from this fact finder are for hypothetical purposes only and are not guaranteed.

This material is not a recommendation to buy, sell, hold, or reduce any asset, adopt an investment strategy, retain a specific investment manager or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition or particular needs of any specific person. Investors should work with their financial professional to discuss their specific situation.

Not Bank Guaranteed • Not a deposit • Not FDIC or NCUA insured • Not guaranteed by the institution
• Not insured by any federal government agency • May lose value

HEALTH CARE AND LTC COST ASSESSMENT




Personalized Health Care Cost Assessment
prepared by Sample Producer of *****

This material should be regarded as educational information on health care only and is not intended to provide specific

Client Facts

	Jim Smith	Linda Smith
Age/Gender:	Male, Age 60	Female, Age 60
Retirement Age:	65	65
Life Expectancy:	80	90
State:	OH	OH
Income Level:	Married Filing Jointly — \$176,000 or less	
Medicare Coverage:	Includes Medicare, out-of-pocket, and long-term care expense estimates	
Need to purchase private health insurance prior to 65:	No	No
Current Health		
High blood pressure:	No	No
High cholesterol:	No	No
Type 1 diabetes:	No	No
Type 2 diabetes:	Yes	No
Cardiovascular disease:	No	No
Cancer:	No	No
Multiple Sclerosis:	No	No
Lifestyle & health history		
Tobacco user:	No	No
Cardiovascular/Diabetes family history:	No	No
Dependency on cane, walker, or wheelchair:	No	No

HEALTH CARE AND LTC COST ASSESSMENT

 **Nationwide**
PERSONAL FINANCIAL GROUP

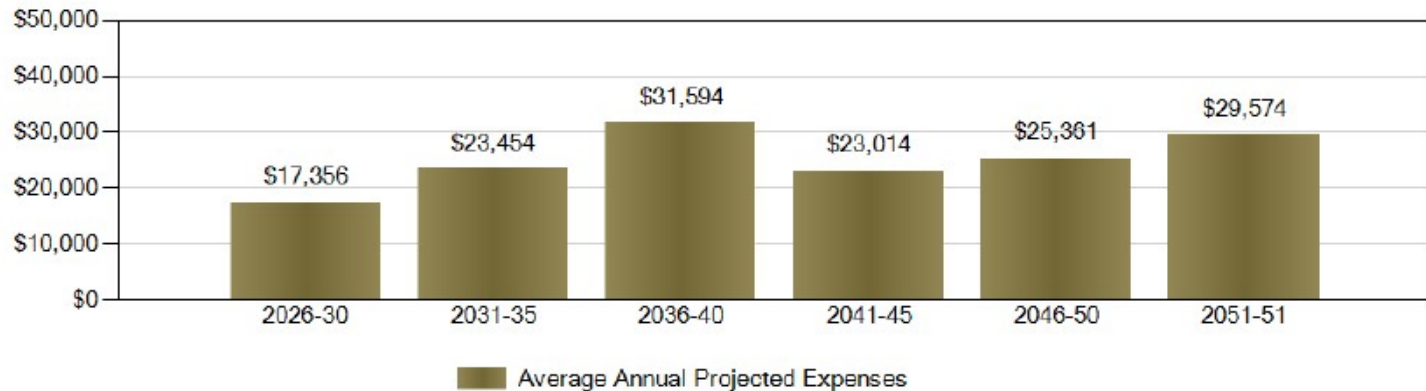
Personalized Health Care Cost Assessment
prepared by Sample Producer of *****

Health Care Expenses in Retirement

Per Spouse/Partner

Average Annual Expenses per 5-Year Period

The following graph shows the *average* estimated annual cost of health care in retirement.



Amounts for under age 65 assume 100% member responsibility for private health insurance premiums and other associated medical costs unless otherwise indicated. Amounts for age 65 and older assume coverage by Medicare Part A and include insurance premiums for Medicare Parts B, D, and supplemental insurance, plus additional associated medical costs.

HEALTH CARE AND LTC COST ASSESSMENT



Year	Jim Smith					Linda Smith					Household Total	Total Without Part B
	Age	Private or Part B Premiums	Part D and Supplemental Premiums	Additional Costs	Total	Age	Private or Part B Premiums	Part D and Supplemental Premiums	Additional Costs	Total		
2026	65	\$2,368	\$2,577	\$3,472	\$8,417	65	\$2,368	\$2,577	\$1,847	\$6,792	\$15,209	\$10,473
2027	66	\$2,514	\$2,776	\$3,761	\$9,051	66	\$2,514	\$2,776	\$1,927	\$7,217	\$16,268	\$11,240
2028	67	\$2,716	\$2,993	\$3,918	\$9,627	67	\$2,716	\$2,993	\$2,007	\$7,716	\$17,343	\$11,911
2029	68	\$2,824	\$3,222	\$4,163	\$10,209	68	\$2,824	\$3,222	\$2,117	\$8,163	\$18,372	\$12,724
2030	69	\$2,943	\$3,469	\$4,527	\$10,939	69	\$2,943	\$3,469	\$2,235	\$8,647	\$19,586	\$13,700
2031	70	\$3,069	\$3,733	\$4,807	\$11,609	70	\$3,069	\$3,733	\$2,361	\$9,163	\$20,772	\$14,634
2032	71	\$3,204	\$4,013	\$5,099	\$12,316	71	\$3,204	\$4,013	\$2,490	\$9,707	\$22,023	\$15,615
2033	72	\$3,352	\$4,314	\$5,410	\$13,076	72	\$3,352	\$4,314	\$2,626	\$10,292	\$23,368	\$16,664
2034	73	\$3,513	\$4,638	\$5,720	\$13,871	73	\$3,513	\$4,638	\$2,770	\$10,921	\$24,792	\$17,766
2035	74	\$3,685	\$4,988	\$6,046	\$14,719	74	\$3,685	\$4,988	\$2,922	\$11,595	\$26,314	\$18,944
2036	75	\$3,869	\$5,358	\$6,386	\$15,613	75	\$3,869	\$5,358	\$3,084	\$12,311	\$27,924	\$20,186
2037	76	\$4,070	\$5,765	\$6,745	\$16,580	76	\$4,070	\$5,765	\$3,252	\$13,087	\$29,667	\$21,527
2038	77	\$4,290	\$6,195	\$7,125	\$17,610	77	\$4,290	\$6,195	\$3,428	\$13,913	\$31,523	\$22,943
2039	78	\$4,526	\$6,643	\$7,478	\$18,647	78	\$4,526	\$6,643	\$3,609	\$14,778	\$33,425	\$24,373
2040	79	\$4,775	\$7,116	\$7,852	\$19,743	79	\$4,775	\$7,116	\$3,795	\$15,686	\$35,429	\$25,879
2041	80	\$5,038	\$7,618	\$8,238	\$20,894	80	\$5,038	\$7,618	\$3,992	\$16,648	\$37,542	\$27,466
2042						81	\$5,315	\$8,153	\$4,197	\$17,665	\$17,665	\$12,350
2043						82	\$5,607	\$8,719	\$4,414	\$18,740	\$18,740	\$13,133
2044						83	\$5,915	\$9,383	\$4,635	\$19,933	\$19,933	\$14,018
2045						84	\$6,241	\$10,085	\$4,862	\$21,188	\$21,188	\$14,947
2046						85	\$6,584	\$10,831	\$5,102	\$22,517	\$22,517	\$15,933
2047						86	\$6,946	\$11,627	\$5,349	\$23,922	\$23,922	\$16,976
2048						87	\$7,328	\$12,468	\$5,611	\$25,407	\$25,407	\$18,079
2049						88	\$7,731	\$13,215	\$5,845	\$26,791	\$26,791	\$19,060
2050						89	\$8,156	\$13,931	\$6,082	\$28,169	\$28,169	\$20,013
2051						90	\$8,605	\$14,644	\$6,325	\$29,574	\$29,574	\$20,969
Total		\$56,756	\$75,418	\$90,747	\$222,921		\$125,184	\$188,474	\$96,884	\$410,542	\$633,463	\$451,523
Average*		\$3,547	\$4,714	\$5,672	\$13,933		\$4,815	\$7,249	\$3,726	\$15,790	\$24,366	\$17,366

*Averages are calculated from columns.

HEALTH CARE AND LTC COST ASSESSMENT



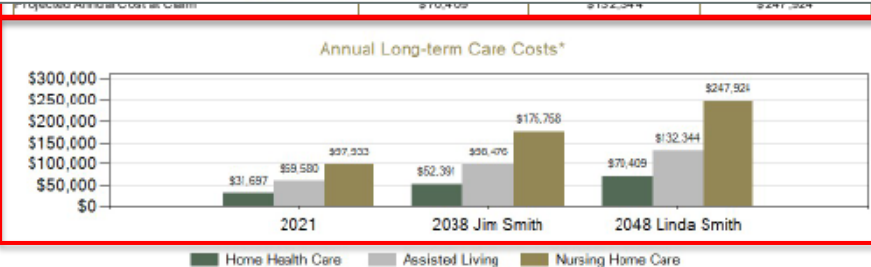
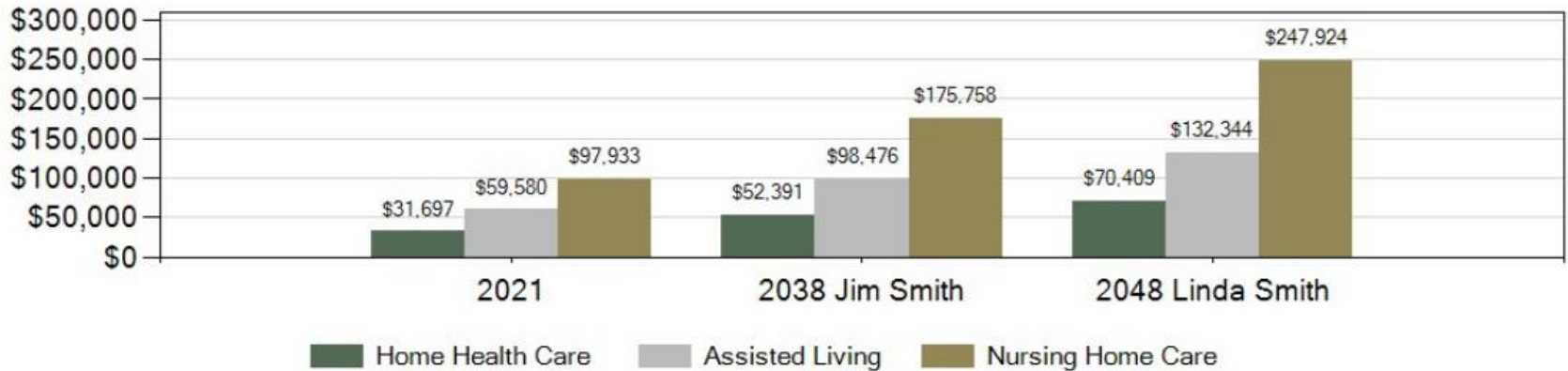
Personalized Health Care Cost Assessment
 prepared by Sample Producer of *****

Long-term Care Expense Detail

The costs estimated in this section are specifically for the purposes of providing funding for long-term care expenses. Long-term care begins after one demonstrates the inability to perform at least 2 out of 6 Activities of Daily Living (ADLs) - or - has cognitive impairment, which includes such conditions as Dementia and Alzheimer's.

Jim Smith

Annual Long-term Care Costs*



* The inflation rates assumed in this report are based on publicly available cost of care surveys from 2016 to 2018. The actual future costs of care will be different from historical cost of care. Assisted Living Facility costs and Skilled Nursing rates are based on "metro region" average daily rates multiplied by 365 days per year or on a "monthly basis multiplied by 12 months". Home Health Care costs are based on 26.3 hours per week and based on the costs per metro region.

HEALTH CARE AND LTC COST ASSESSMENT

Nationwide

Complete this form and have your financial professional return it to the Retirement Institute Planning Team.
 IPLNDESK@nationwide.com
 Fax: 1-855-256-4220

Have questions? Call 1-877-245-0763

Health Care/LTC Cost Assessment Fact Finder

Wholesaler name: _____ Meeting reference: _____

Report type requested: Medicare costs only Long-term care costs only Both

Assessment questions <i>Check Yes or No</i>	Client's response	Spouse's/partner's response
If you plan to...		
Annual income		
Medicare coverage		
All Medicare premiums		
Include Medicare supplemental insurance		
Include Medicare Part D		
Include Medicare Part B		
* City/metro data will be used if available, if unavailable state-wide averages will be used.		
<input type="checkbox"/> \$276,001 to \$330,000		
<input type="checkbox"/> \$330,001 to \$750,000		
<input type="checkbox"/> \$750,000 or above		
Dependent on...		
Family history		

Complete this form with your client and submit it to the Retirement Institute Planning Team.

IPLNDESK@nationwide.com
Fax: 1-855-256-4220

Have questions? Call 1-877-245-0763

gross income (MAGI) and assume today's dollars. Your retirement income helps determine the cost for Medicare Parts B & D.

Married filing jointly: married couples filing a joint tax return	Individual: for single persons filing an individual tax return
	Individual 1 Individual 2
<input type="checkbox"/> \$176,000 or less	<input type="checkbox"/> \$88,000 or less
<input type="checkbox"/> \$176,001 to \$222,000	<input type="checkbox"/> \$88,001 to \$111,000
<input type="checkbox"/> \$222,001 to \$276,000	<input type="checkbox"/> \$111,001 to \$138,000
<input type="checkbox"/> \$276,001 to \$330,000	<input type="checkbox"/> \$138,001 to \$165,000
<input type="checkbox"/> \$330,001 to \$749,999	<input type="checkbox"/> \$165,001 to \$499,999
<input type="checkbox"/> \$750,000 or above	<input type="checkbox"/> \$500,000 or above

Medicare coverage (select only one option)

All Medicare premiums plus additional medical costs will be used as the default option if no other option is selected. Not required for LTC-only reports.

Include Medicare parts A, B, & D plus supplemental insurance premiums and out-of-pocket expenses.	<input type="checkbox"/>
Include Medicare parts A, B & D plus supplemental insurance premiums only.	<input type="checkbox"/>
Include Medicare parts A, B & D only.	<input type="checkbox"/>

* City/metro data will be used if available, if unavailable state-wide averages will be used.

Summary

- The retirement income challenge
- Understanding the health care opportunity
- Creating a plan to address health care costs

Nationwide Retirement Institute®



Regional Vice Presidents



Retirement Institute Planning Team

Phone: 1-877-245-0763

Fax: 1-855-256-4220

Email: nriplanning@nationwide.com
