

# Churchill Management Group

## Financial Planning Newsletter

May 26, 2017

### Planning Around Your Medicare Benefits



Every day approximately 10,000 baby boomers turn 65. This is a great milestone, but one that can come with some confusion regarding Medicare eligibility, enrollment, and choices for coverage.

There are three main categories of eligibility for Medicare:

1. People age 65 and older (some disabled widows/widowers younger than 65 may be eligible).
2. Generally, those who have been entitled to Social Security Disability for 24 months.
3. Persons diagnosed with permanent kidney failure requiring dialysis or kidney transplants.

#### **Enrollment Periods:**

1. The Initial Enrollment Period for Medicare is a seven-month period beginning three months before the month of your 65th birthday and ending three months after the month you turn 65. If you apply for Social Security Benefits at age 65, you will be automatically enrolled in Medicare. If you are applying for Medicare before you apply for Social Security benefits, you will need to ask them to bill you for the Medicare premiums, as they are normally deducted from your Social Security Benefits.
2. If you decide not to enroll during Initial Enrollment you can also sign up during the General Enrollment Period (January 1 through March 31 each year). However there is a 10% penalty added to the Part B premium for each year that you delay enrolling. The exception would be if you are still working and covered under your employer's health plan; then you would enroll during a Special Enrollment Period.
3. The Special Enrollment Period starts when the employer's health plan coverage ceases to be the primary insurance. Retiree medical benefits are not considered primary insurance by Medicare

but when available, act as a supplement.

### **Did you know you have choices in how you receive your Medicare benefits?**

Once you are eligible for Medicare, you will also need to decide if you want Original Medicare or a Medicare Advantage Plan.

1. Original Medicare – in most cases, it is recommended to consider purchasing a Medicare Supplemental (Medigap) Insurance Policy.
2. Medicare Advantage Plan (Part C) – in most cases, you may not be able to purchase a Medigap policy if you make this choice.
3. Medicare Prescription Drug Plan (Part D) - some Medicare Advantage Plans offer drug coverage.

Remember these choices are based on your individual needs. So for a married couple, this could mean that you choose different options for your Medicare and Prescription Drug coverage than your spouse.

Also, it is important to be aware that Medicare does not cover most long-term care (assisted living, memory care or nursing home), except in some cases with strict requirements and for limited time.

For more information you can visit: [www.medicare.gov](http://www.medicare.gov).

You can get personalized health insurance counseling at no cost to you from your local State Health Insurance Assistance Program (SHIP). Please visit [www.shipnpr.acl.gov](http://www.shipnpr.acl.gov), then select Find a Counselor (on the right-hand side of the page).

It is important to fully understand what makes the most sense for your particular situation regarding these benefits. Consulting with your Churchill financial advisor can help you decide which strategies are best for you.

Sources:

[aarp.org](http://aarp.org)

[medicare.gov](http://medicare.gov)

## **Churchill Management Group**

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**\*Disclosure Regarding Financial Planning Services.** Churchill provides financial planning services to clients that specifically engage Churchill for that service. The planning can include defining goals, designing a plan, assisting with implementing the plan, and evaluating and adjusting the plan over time, at the request of the client. The financial planning includes advice regarding securities investing, and may include discussions of a client's tax, insurance, employee benefits, estate planning and other issues. Churchill, however, does not provide legal, insurance, employee benefit, estate planning, tax or accounting advice, and the client must rely on legal, insurance and accounting professionals for that advice and documentation. No guarantee can be made as to increasing returns to an investment portfolio as a result of financial planning.

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If you are interested in learning more about Churchill's Financial Planning offerings, please do not hesitate to contact your Churchill Representative. You can also call our Los Angeles Headquarters at 877-937-7110 or email us at [info@churchillmanagement.com](mailto:info@churchillmanagement.com)

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