

Welcome to the first issue of the Spectrum Financial newsletter.

Here is what you can expect in the upcoming months. I plan to send easy to digest information that will help you make informed financial decisions and avoid costly mistakes.

Thank you for taking the time to read it.

If you have any questions about the topics that we're discussing, or would like personal advice on your own situation, don't hesitate to reach out to me. You can simply reply to any of these emails or call me at 505-250-8003.

I've been a financial advisor for five years. And any business owner out there can relate when I say that the biggest challenge has been to find clients in this competitive environment.

I've made myself go crazy trying all kinds of ways to reach out to all kinds of different people. But after giving it some thought and realize that I want to focus on the moments that are the most important to my clients.

I am one of the few financial advisors that also helps people with their Medicare.

When people enter the retirement zone they face a lot of time-sensitive decisions that can have a huge affect on your retirement income and lifestyle.

In the upcoming months I will be offering a series of lunch and learn presentations for small businesses. In these presentations we will cover how employees can optimize their Medicare benefits.

We'll also talk about something that often disrupts the transition into retirement. More and more people are choosing to work longer, for years beyond the retirement age. When they go onto Medicare they are no longer eligible for the benefits that are provided by the employer.

I'll be able to show you a Group Medicare Supplement that will allow small business owners to continue to offer health benefits to their older workers.

Knowing how to maximize these benefits can make a an enormous difference in those retirement years.

To sign up for a Medicare lunch and Learn, call me at 505-250-8003.

Talk to you soon.
Terri

Frequently asked questions about Medicare

Interview with Kathy Rieger, who has been working with seniors and retirees on Medicare issues for over ten years.

Q. When should I start thinking about getting on Medicare?

A lot of people ask me this question. It depends on if you want to continue working or if you don't. It also depends on if you're receiving your Social Security benefits or not.

If you elect to get your Social Security benefits (which you can start doing at age 62) Medicare will reach out and let you know that it's time. Usually you will get a letter in the mail three or four months before your 65th birthday.

If you're not collecting social security, it is up to you to reach out to Medicare. A lot of people don't realize that. They think it happens automatically. You start the enrollment process by reaching out to the Social Security office at www.ssa.gov.

Q. What if I'm still working?

If you are still working you can choose to postpone part of your Medicare benefits. Most working people will start with their Part A benefits and postpone their Part B benefits. It's easy to do that. Medicare doesn't mind as long as you have coverage from your employer.

Q. What are the different parts of Medicare and what do they do?

When you get your Medicare, there are three parts.

Part A covers your hospitalizations. There is no premium to pay and so you might as well get started with it right away. If you have worked for 40 quarters or ten years you qualify for Part A and have paid into the system long enough to for that premium to be paid for. But there are limits that you need to know about. You are allowed to be hospitalized for 190 days.

Part B covers doctors, physical therapists and other appointments. Part B has a premium. In 2018 the premium is \$134 a month. Social Security takes it right out of your Social Security check.

If you're still working and you decide not to activate your Part B you will not have to pay that premium because you will already be paying your employer's insurance. However, if you're not working and you don't use your Part B, you will be subject to a late enrollment penalty of 10% per month, which can be substantial.

Part D covers medications. In 2006 Medicare decided that everyone should have drug coverage. When you get Part A and B, Medicare suggests that you get Part D. It is optional. You don't have to get it. I advise that my clients get it, even if they only have one medication. If you don't get it and decide later on that you need it (for example, if you become ill and need medication that you didn't need before) Medicare will assess a late enrollment penalty. This year the premium for Plan D is \$18.20. You can get drug coverage through other avenues and plans.

Q. What is "Medicare Advantage?"

Medicare Advantage is a type of 3rd party health insurance by a private insurance company. It works with Medicare but it is not a part of Medicare.

The reason that you need it is that Medicare will pay for 80% of most services, leaving you exposed to 20% of the costs. There are also deductibles that need to met. Adding a Medicare Advantage plan can help protect you from having to pay that 20%. You will still have co-pays but they won't be as expensive.

There is one more type of plan available, called a supplement plan. Supplement plans are more comprehensive in what they cover and you will have little to no copay, but you will pay more monthly.

The difference between a Medicare Advantage plan and a Medicare supplement is that the Medicare Advantage you will pay less monthly but will pay more for services and copays, and the supplement will require you to pay more monthly but there will be little to no copay.

Q. When do I enroll?

There is a window to enroll for Medicare and Medicare advantage, three months before and four months after your 65th birthday. Typically we meet with our clients a couple months before your birthday to shop through the plans and make an informed decision before the month of your birthday.