



Jim Robeson CLU, ChFC

The Medicare Answer Guy

MEDICARE NEWS

December 2020 Edition

My goal with this newsletter is to:

1

KEEP YOU INFORMED

I will be sharing current articles about the changes in Medicare.

2

ANSWER YOUR QUESTIONS

I'm available to answer issues specific to you.

3

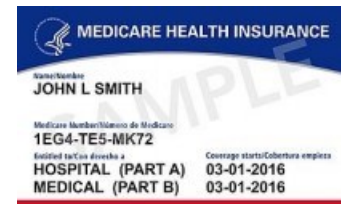
STAY CONNECTED

I want to make Medicare coverage as simple as possible.

(858) 935-9120

New Medicare Rates 2021

The Centers for Medicare & Medicaid Services (CMS) announced the 2021 monthly Medicare Premiums and Copay/Deductibles 2021.



Medicare Part B Premium

The Medicare Part B standard monthly premium will be **\$148.50** in 2021, compared to **\$144.60** in 2020. An increase of \$3.90 per month. For Individuals with an income greater than \$88,000 (or a married couple's income that exceeds \$176,000) their Part B premium will be higher. This news comes as Medicare Open Enrollment which started on October 15, 2020 and runs through December 7, 2020. Right now, more than 60 million Medicare beneficiaries can compare their Medicare insurance coverage options like Original Medicare (Part A and Part B), Medicare Advantage, and choose health and prescription drug plans for 2021.

New For 2021: Insulin Program

This new program will limit the cost of insulin for participating seniors to a maximum of \$35 for a 30-day supply—a major victory in the fight for affordable insulin! One in every three Medicare beneficiaries has diabetes, and over 3.3 million Medicare beneficiaries use one or more of the common forms of insulin. For some of these beneficiaries, access to insulin can be a critical component of their medical management. Please note that although over 1,600 Medicare Advantage and Part D plans will now start offering \$35 monthly co-pays for insulin starting in January 2021, many plans **will not be participating** in this program. If you could benefit from this program, it's critical you check with your plan and make sure they will be part of the program for 2021.

(On a side note, UnitedHealthcare will be participating in the Insulin program for next year.)

December 2020 Edition

BIRTHDAYS

- Craig W
- Darla G
- Roger M
- Ira K
- Tanya D
- Sue G

Confused about Social Security – including spousal benefits, claiming strategies and how death and divorce affect your monthly income?

Social Security Claiming – Like Life – Can Be Complicated
Claiming Social Security can be complex.

Social Security benefits depend on numerous factors – wage history, age at claiming, if there's a spouse with a higher benefit. Because life is typically not straightforward, there may be other scenarios that further confuse individuals who are deciding when to receive Social Security, such as a divorce, illness or loved one's death.



MarketWatch's Help Me Retire column usually answers one reader question at a time, but many readers had short and specific questions about their Social Security eligibility and potential benefits. As is often the case with questions about Social Security, the answers depend on many variables. "There are many factors that can change what rules are used to determine benefit amounts," said Diane Wilson, founding partner of My Social Security Analyst.

Question: I'm 75 and started receiving Social Security benefits at 63. My wife is 77 and also started receiving her benefits at 63. During our working years my income was substantially higher than hers so my Social Security benefits are more than double hers. Should she be able to get Social Security (spousal) benefits equal to one half of mine?

Answer: Spousal benefits can be complicated. Technically, she should be able to ask Social Security for excess spousal benefits, which would potentially boost her payment, but it may not equate to half of your benefit. She claimed her Social Security benefit earlier than her Full Retirement Age (FRA), as did you, which means they're already reduced as it is.

December 2020 Edition

REFERRALS

- Steve F referred Ira K

We try hard to recognize every referral but if we missed anyone, please let us know.

Just send us a quick email so that we can acknowledge you. We want all of you to know that it is our privilege to serve you.

The greatest compliment you pay us is the referral of your family and friends. Thank you!!!

(Social Security continued...)

It can't hurt to check with the Social Security Administration though, said Laurence Kotlikoff, an economics professor at Boston University and president of Economic Security Planning, a software company. She should call and ask if she is eligible for collecting excess spousal benefits.

Question: I plan on retiring at 63 and my wife at 62, just a few years away for both of us. My expected benefit is \$2,047 a month and my wife's is \$1,232. Thankfully we also have other forms of income, i.e., 401(k) and county retirements that we already draw from. The question I have and if I understand correctly – when I die, my wife's benefit will increase to match my distribution of \$2,047 a month, but while this is an increase, she loses her personal distribution and thus it is actually a loss of income, since between the both of us our Social Security was \$3,279. With my death, she will only receive \$2,047. On the flip side it is actually worse for me when my wife dies, since her benefit is less than mine I get nothing additional. Am I correct in understanding how this works?

Answer: Yes and no. If you were to die first, your wife would keep her benefit but get a step-up in what she receives. If she were to die first, you would not get any additional benefit.

When you claim makes a difference in those figures though, said Mike Piper, author of "Social Security Made Simple" and the creator of Open Social Security, a calculator to help users strategize their Social Security claims. If you file much earlier than your FRA, both your benefit and her spousal benefit would be impacted. When you die may also affect the calculations, Kotlikoff said. "The widow's area is the most complicated," he said. Kotlikoff's company creates financial planning programs, including **Maximize My Social Security**, for users to tinker with various variables, such as age at claiming and death, to determine possible benefit amounts.

Here are some of the rules though. If you file for benefits before your Full Retirement Age, and she files for the widow's benefit at her Full Retirement Age, she is entitled to the higher of what you were receiving or 82.5% of what you would have received at FRA, Wilson said. If she's under FRA when she files for these widow benefits, there are three amounts to be determined – what you were receiving, 82.5% of your FRA or a reduced widow's benefit.

December 2020 Edition

(Social Security continued...)

Now if you were to file for benefits at Full Retirement Age (which would mean delaying your anticipated claiming, according to your question), and she is at her FRA or older when she files for widow's benefits, she would get what you received or what you were supposed to receive when you passed. If she was under her FRA at that time, she'd get a reduced benefit based on the number of months before her FRA when she claimed the widow's benefit, Wilson said. "In this case, it may be beneficial to take her benefit until she is FRA then switch to the widow's benefit."

Question: I'll be 67 next February. I want to retire at that time. My husband filed for divorce over 20 years ago and has since remarried. I never remarried. My ex husband will be 64 in June. Can I claim part of his Social Security whenever he retires, even if I retire before he does?

Answer: There are a few eligibility requirements to collect Social Security benefits as a divorced spouse who hasn't remarried: you must have been married for 10 years, he has to be at least 62 years old, and if he hasn't yet claimed his benefits, you must be divorced for at least two years. The fact that he has remarried does not affect your ability to claim through his benefits.

If you check all of these boxes, you're entitled to one-half of his primary insurance amount (PIA), which is what his benefit would be at his Full Retirement Age, Piper said.

But keep in mind, there are a few more rules. If you were born after Jan. 1, 1954, you must file for your own Social Security benefits when you go to claim his. You may be entitled to some ex-spousal benefits if your primary insurance amount (what you get at FRA) is less than half of your ex-husband's benefits at full retirement. Your case is unique because you'll be filing at age 67, which makes your benefit higher than what your benefit would have been at your Full Retirement Age, Wilson said. The Social Security Administration will use that amount in place of your benefits at FRA, which may mean you end up having a benefit higher than half of your ex-husband's, she said.

Here's how the Social Security Administration breaks down benefits for divorcees.

Question: I will retire at the end of this year at 65 years and 10.5 months old. I am wondering if occasional work during retirement would lower my Social Security benefits. I plan to wait to claim Social Security benefit payments until age 70. My average taxed earnings for the last 20 years was \$107,000 and the prior 15 year average was \$51,000. If I was to work for my employer as a temp or contractor occasionally during retirement, and say earned \$10,000 a year for two or three years, would that end up lowering my benefit payments or have no impact?

Answer: While low earnings may affect your benefit for a private pension, they will never cause your Social Security benefit to go down, Piper said. The Social Security Administration looks at the highest 35 years of earnings, so what you make in the most recent years will only have an impact on your benefit if it was higher than earnings in one of those top 35 years. You're also going to be getting more than your primary insurance amount by delaying your benefit to age 70, which is always a nice addition to your monthly income.

Read full article: <https://www.marketwatch.com/story/confused-about-social-security-including-spousal-benefits-claiming-strategies-and-how-death-and-divorce-affect-your-monthly-income-11606851576>

**JIM
ROBESON
CLU, CHFC**

MEDICARE MADE EASY

10755 Scripps Poway Pkwy #617
San Diego, CA 92131 | (858) 935-9120
jim@themedicareanswerguy.com
themedicareanswerguy.com