



# Healthy, Happy and Retired.

Can health care fit into your retirement budget? Sure.



Making the most of your retirement years begins with staying healthy. And part of staying healthy is managing health care costs.

The good news is that with planning, covering health care costs is entirely doable. We can help you work those costs into your retirement budget, so you're ready to enjoy life.

A 65-year-old couple can expect to spend:

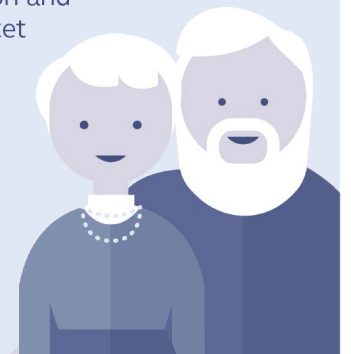
**\$266,600<sup>1</sup>**

on Medicare premiums throughout retirement.

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**\$394,954<sup>1</sup>**

total when you include dental, vision and out-of-pocket expenses.



<sup>1</sup>HealthView Services 2015 Retirement Health Care Costs Data Report.

# Breaking down Medicare

Medicare is a medical insurance program offered by the federal government for those 65 years or older, or disabled. It's made up of four different plans (called Parts), plus an extra coverage option called Medigap.

Check out the chart below to see what each Part covers, how much each costs and how they work together to help you manage expenses.<sup>2</sup>

	Medicare Part A	Medicare Part B	Medicare Advantage (Medicare Part C)	Medicare Part D	Medigap <sup>3</sup>
<b>What is it?</b>	Helps cover the cost of inpatient hospital care	Covers services like doctor visits and outpatient hospital care	Helps cover hospital and medical services; you can choose it in place of Parts A and B	Covers prescription drugs	Helps cover copayments and deductibles for Parts A and B. You can't use it with Medicare Advantage
<b>What does it cover?</b>	<ul style="list-style-type: none"> <li>Hospital stays</li> <li>Skilled nursing</li> <li>Home health care</li> <li>Hospice care</li> </ul>	<ul style="list-style-type: none"> <li>Doctors' visits</li> <li>Outpatient surgery</li> <li>Diagnostic tests</li> </ul>	<ul style="list-style-type: none"> <li>Everything included in Parts A and B</li> <li>Might cover prescription drugs</li> </ul>	<ul style="list-style-type: none"> <li>Generic and brand-name prescription drugs</li> </ul>	<ul style="list-style-type: none"> <li>Deductibles and copays for Medicare Parts A and B</li> </ul>
<b>Who provides it?</b>	U.S. government	U.S. government	Private health insurance companies	Private health insurance companies	Private health insurance companies
<b>How much does it cost?</b>	Nothing for most people	\$121.80–\$389.90 per month, based on your income	Varies by plan	Varies by plan and income level	Varies by plan and location
<b>What's the deductible?</b>	\$1,288 per benefit period	\$166 per benefit period	Varies	Varies	Varies
<b>Any additional costs?</b>	You'll pay for some or all hospital in-patient costs if you stay longer than 60 days	There's a 20% copayment for some services	There's a copay for most services	If you sign up before 2020, you may pay some drug costs due to a coverage gap	Varies



## The bottom line:


Medicare Parts A and B generally provide the lowest upfront costs. But they can also create the most coverage gaps.

Medicare Parts A, B, D and Medigap together have the highest upfront costs. However, they provide the fullest coverage with the least amount of gaps.

## So ... what's it going to cost out of pocket?

Okay, now you have an idea of what Medicare will pay for. Let's talk about what it won't pay for: copays, insurance deductibles, and vision, dental and long-term care.

To make sure both your Medicare premiums and noncovered costs are covered, estimate how much you'll need to pay in retirement.

Expenses	Things to think about	 Estimated monthly costs
Health insurance premiums	Use the numbers in the chart or the Medicare Plan Finder at <a href="https://www.medicare.gov">medicare.gov</a> to calculate this estimate.	\$
Medical services, deductibles and copays <sup>2</sup>	<ul style="list-style-type: none"><li>• The deductible for Part A starts at \$1,288 per stay.</li><li>• The annual deductible for Part B is \$166. After you meet your deductible, you typically pay a 20% copay.</li><li>• Estimate your vision and dental costs.</li></ul>	\$
Prescription drugs	Think about the money you'll spend on deductibles, coinsurance and copays.	\$
Medical supplies/other	Estimate what you'll spend on supplies like bandages, syringes, over-the-counter medications and vitamins.	\$
Total estimated monthly cost		\$

<sup>2</sup> Estimated costs are as of 2016. See [medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html](https://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html).

<sup>3</sup> For more details on Medigap coverage, go to [medicare.gov/supplement-other-insurance/medigap/costs/medigap-plan-costs.html](https://www.medicare.gov/supplement-other-insurance/medigap/costs/medigap-plan-costs.html).



## Now let's find ways to pay for those costs.

There are several things you can do, depending on your retirement situation.

### If you're still working:

- A health-care savings account may be an option. Check with your employer.
- Check into possible coverage through your employer or individually.

### If you're about to retire and you aren't 65 yet:<sup>4</sup>

- See if your employer offers an early retiree insurance program.
- Consider extending your employer's health plan coverage using COBRA coverage. (It may cost extra, and there's usually a time limit.)
- Buy individual insurance. Explore and compare different options at [healthcare.gov](https://www.healthcare.gov).

<sup>4</sup> When you turn 65 you'll be eligible for Medicare.

### If you're already retired:

- If your spouse is still employed, see if you can join his or her employer-provided health-care plan.
- If you're a veteran, see if you qualify for coverage through the Veterans Benefits Administration.
- If you aren't 65 yet, consider purchasing individual insurance.<sup>4</sup> Explore and compare different options at [healthcare.gov](https://www.healthcare.gov).

### At any time:

- Think about long-term care insurance. You can buy this insurance on your own, from your employer or through another group you might belong to, like an alumni association or trade organization.

Want to see  
the numbers?

Check out the handy Medicare Plan Finder at [medicare.gov/find-a-plan](https://www.medicare.gov/find-a-plan).

You can estimate your premiums and compare costs and coverage.



## When should you sign up?

You're eligible for Medicare when you turn 65 — you don't have to be retired or collecting Social Security. Sign up during any of these enrollment periods:

### Initial Enrollment Period

Age 65 (three months before through three months after)

### General Enrollment Period

January 1 through March 31 each year

### Open Enrollment Period

October 15 through December 7 each year

### Special Enrollment Period

Extending up to eight months after your group coverage ends

## Need to change your coverage?

There are certain times of year when you can change the coverage you already have:

- 1 During open enrollment periods every year from October 15 – December 7.
- 2 During times that you qualify for a Special Enrollment Period (SEP), such as:
  - You retire any time after age 65 and will no longer be covered by your (or your working spouse's) employer-sponsored plan
  - You move
  - You qualify for extra help with Medicare prescription drug costs
  - You're eligible for Medicaid
  - You're getting care in an institution, such as a skilled nursing facility or long-term care hospital

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## You don't have to go it alone.

We get it. This information is complicated. But there are resources to help you understand your options:

- Call **800.MEDICARE**
- Visit [medicare.gov](https://www.medicare.gov)
- Call your state's Senior Health Insurance Information Program (SHIIP)



**833-684-0433** or [info@oswaldfinancial.com](mailto:info@oswaldfinancial.com)

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If you or your spouse is still working and has insurance through an employer, contact your benefits administrator to find out how your insurance works with Medicare.

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