

SONORAN RETIREMENT ADVISOR



June / July 2024

If the plan doesn't work, change the plan, not the goal.

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Hi,

There are some big changes coming to Medicare drug coverage next year. In my first article I'll try to break down some of these changes for you.

June is designated as Annuity Awareness Month, a campaign that serves to educate consumers on, you guessed it, annuities. My second article will focus on this.

Stay safe and healthy.

Your Tucson Team



From Medicare to Retirement Planning. We provide the tools, and expertise to protect your retirement and lifestyle.

FEATURE STORY

Everything you need to know about Medicare reforms

Six key Medicare reforms that were passed in 2022 as part of the Inflation Reduction Act. Some of these changes went into effect in 2023, several more in 2024, and the final two will take effect in 2025.

1 - Vaccines

As of January 1, 2023, Medicare Part D plans and Medicare Advantage plans no longer require a deductible, coinsurance, or other cost-sharing requirements for adult vaccines that are recommended by the Centers for Disease Control and Prevention (CDC)'s Advisory Committee on Immunization Practices. This includes the shingles vaccine.

For a complete list of vaccines covered, see the CDC's vaccine recommendation webpage. Vaccines currently administered in doctors' offices and paid for by Part B do not have cost-sharing obligations.

2 - Insulin copay monthly cap of \$35

As of January 1, 2023, cost-sharing for insulin products is limited to no more than \$35 per month for people with Medicare insurance, including insulin covered under both Part D and Part B. No deductibles apply. Note: plans are not required to cover all brands and types of insulin.

For a three-month supply of insulin, your costs can't be more than \$35 for each month's supply of each covered insulin. This means you'll generally pay no

more than \$105 for a three-month supply of covered insulin.

3 - Expansion of the federal Low-Income Subsidy (LIS) or Extra Help program

The Low-Income Subsidy (LIS) or Extra Help program is a federal program that helps people with limited income and assets pay for prescription medications and other related costs. Historically, there have been two versions of the program, the full program, which provides a higher level of financial support for people with an income of up to 135 percent of the federal poverty level, and a partial program, which provides a lower level of financial support for people with an income between 135 percent and 150 percent of the federal poverty level (FPL).

As of January 1, 2024, the partial program was eliminated. With full benefits, the majority, if not all out-of-pocket costs for prescription medications will be covered.

People who qualify for Extra Help will pay:

- No deductibles
- No premiums for Part D drug plans
- No more than \$11.20 in 2024 for each brand-name drug the plan covers (\$4.50 for generic medications)
- No Part D late enrollment penalty, if applicable

To qualify for Extra Help, your yearly income must be less than 150 percent of the federal poverty level and total resources must be at or below the amounts

shown below. Note: these figures may change each year.

2024 Yearly Income Limit*

- Single: \$22,590 (\$1,883 per month)
- Married (living together): \$30,660 (\$2,555 per month)
- *Income limits are higher in Alaska and Hawaii. If you or your spouse work, or support other family members who live with you, you may qualify for benefits even if your income is higher than the amounts shown above.

2024 Total Resource Limit**

- Single: \$17,220
- Married (living together): \$34,360
- **Your house, car, and up to \$1,500 per person in burial expenses don't count as resources.

Some people get Part D Extra Help automatically. If you fall into one of the categories below, you do not need to apply for Extra Help:

- You're enrolled in both Medicaid and Medicare ("dual eligible").
- You receive Supplemental Security Income (SSI).
- You qualify for a Medicare Savings Program.

To learn more and check your eligibility:

- Medicare.gov has a resource to help you quickly see if you qualify for Extra Help.
- You can enroll in the Extra Help program by visiting SSA online at ssa.gov/Extra-Help or call 1-800-772-1213. Visit ssa.gov/locator to

get the telephone number for your local Social Security office.

- For one-on-one assistance with Extra Help, contact your State Health Insurance Assistance Program (SHIP) at ShipHelp.org or call 1-877-839-2675 to get the number for your local SHIP.

4 - Elimination of the five percent coinsurance for Part D catastrophic coverage

As of January 1, 2024, people with Medicare Part D are no longer responsible for five percent prescription cost-sharing in the 'catastrophic phase' of coverage. This means that once a person reaches the catastrophic phase of coverage in 2024, they have no out-of-pocket responsibility for covered drugs for the remainder of the year.

5 - Annual limit of \$2,000 for prescription drug costs in Part D

Beginning in 2025, people with Medicare Part D will have an annual limit, capping their out-of-pocket prescription drug costs at \$2,000. In the years that follow, annual limits will be adjusted based on inflation. This will have the biggest impact on people with Part D who have expensive medications and who don't qualify for the Extra Help program.

The downside of this change is that more responsibility for covering drug costs will be shifted to the insurance companies. So, you can expect to see increases in Part D premiums. Even Medicare Advantage plans will be affected, so many plans that have a \$0 premium now may have to add premiums starting in 2025 to cover the additional drug costs or may reduce benefits starting in 2025.

6 – Fixing costs for commonly prescribed name-brand drugs

For the first time, the law provides Medicare the ability to directly negotiate the prices of certain high expenditure, single source drugs without generic or biosimilar competition. Below is the list of 10 drugs covered under Medicare Part D selected for negotiation for initial price applicability year 2026, based on total gross covered prescription drug costs under Medicare Part D and other criteria as required by the law.

- 1. Eliquis, 2. Jardiance, 3. Xarelto, 4. Januvia
- 4. Farxiga, 5. Entresto, 6. Enbrel, 7. Imbruvica
- 8. Stelara, 9. Flasp, 10. Novolog



Clients of the Month

We appreciate your referrals so much

We are happy and grateful for each referral. The only things your friends have to lose are high premiums and that sinking feeling that they just lost money when the market dips again. I'm happy to offer a gift card for every referral that leads to an appointment.

Margaret E. referred her friend **Michael G.** Thank you so much!

Lori F. referred her friend **Colleen R.** Thank you so much!

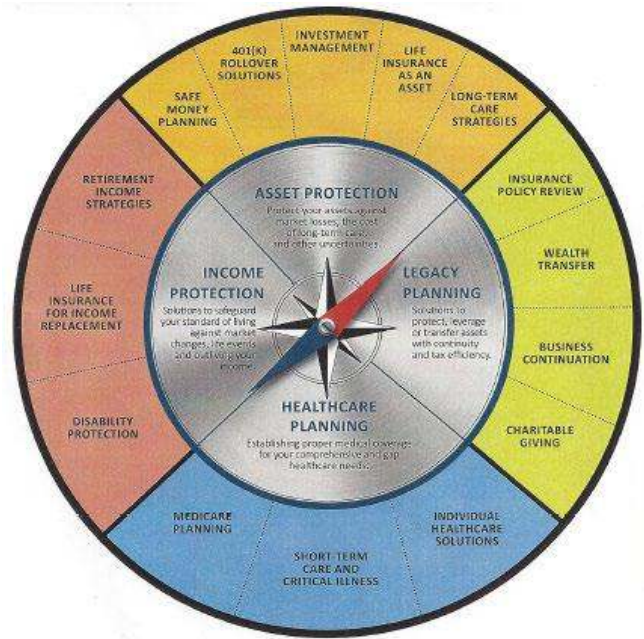
Maryann and David C. referred their friend **Richard B.** Thank you so much!

TUSD referred **Jose M.** Thank you so much!

Jesse E. referred his sister **Rose E.** Thank you so much!

Larry and Debbie E. referred their friend **Frank Z.** Thank you so much!

The Retirement Planning Compass



Annuities Bring Peace of Mind in an Uncertain World

Helping our clients have greater certainty is among the most valuable services we provide. Annuity

products are important tools that can guarantee our clients a constant and consistent income stream in retirement. We support National Annuity Awareness Month to spotlight annuities and educate our clients about the only financial products that guarantee lifetime income.

Social Security, by design, covers only 40% of the average retiree's pre-retirement income. Mounting fiscal concerns could lead Congress to revise the program in ways that reduce benefits for retirees. Social Security's murky outlook is another layer of uncertainty for retirees and those approaching retirement.

A recent study found that almost half of Americans aged 61-65 have already opted to begin receiving Social Security benefits. Uncertainty plays a large part in their decisions. Three in ten say they are taking the benefits because of a "fear of missing out," citing concerns they will die, or the program will become insolvent before they are eligible for their full benefits. Another 43% have disabilities or are otherwise unable to work, and 40% say simply that they need the income.

Annuity contracts, in contrast, are guaranteed. They provide consistent returns that are not subject to volatility in the financial markets or the prevailing sentiments of lawmakers. Annuity income can ensure that retirees and those unable to work can cover fundamental expenses, like housing, healthcare, and general living costs. Annuities may offer tax advantages. They can be structured to meet your individual financial goals

and may include investment options that take into consideration your personal risk tolerances. However, you need a better understanding of what they are and what they offer. There is a lot of misleading information out there about annuities.

A previous study found that only 17% of consumers say they are extremely familiar with annuities. Around 61% said they are extremely interested in owning a "financial product that guarantees a certain amount of regular income for the rest of their life." Yet when asked if they were interested in "an annuity" (essentially the same question), the percentage of those extremely interested declined to 50%.

Making our clients more aware of annuities and the certainty these contracts bring is an important goal of National Annuity Awareness month. The occasion provides the opportunity for us to initiate conversations about annuities with existing clients and other consumers. These conversations are vital to ensuring consumers know their options as they prepare for retirement.

Educating the public on annuities is a win-win for us and our clients. While clients gain greater peace of mind and the tangible benefit of guaranteed income, the earlier study found that clients who have annuities are more satisfied with their financial professionals than those who do not.

So, we are spreading the word about this vital financial product that guarantees a measure of certainty in uncertain times.

**UPCOMING MEDICARE
WORKSHOPS**

*For all workshops please email Marilyn at:
marilyndeluca@ffig.com or call her at
520-668-9662 to Reserve your free seat.*

Tuesday July 9th - 11:00 AM

FUTURITY FIRST – TUCSON OFFICE:
4400 E Broadway Blvd, Suite 712, Tucson, AZ
85711

Tuesday July 9th - 6:00 PM

FUTURITY FIRST – TUCSON OFFICE:
4400 E Broadway Blvd, Suite 712, Tucson, AZ
85711

Wednesday July 10th - 12:00 PM

Virtual (video conference) Workshop

Tuesday July 23rd - 11:00 AM

**MARRIOTT COURTYARD – TUCSON
AIRPORT:**
2505 East Executive Drive, Tucson, AZ 85756

Tuesday July 23rd – 6:00 PM

**MARRIOTT COURTYARD – TUCSON
AIRPORT:**
2505 East Executive Drive, Tucson, AZ 85756

Wednesday July 24th - 12:00 PM

Virtual (video conference) Workshop

Tuesday August 13th - 11:00 AM

FUTURITY FIRST – TUCSON OFFICE:
4400 E Broadway Blvd, Suite 712, Tucson, AZ
85711

Tuesday August 13th - 6:00 PM

FUTURITY FIRST – TUCSON OFFICE:
4400 E Broadway Blvd, Suite 712, Tucson, AZ
85711

Wednesday August 14th - 12:00 PM

Virtual (video conference) Workshop

Tuesday August 20th - 11:00 AM

HILTON EL CONQUISTADOR:
10000 N Oracle Rd, Tucson, AZ 85704

Tuesday August 20th – 6:00 PM

HILTON EL CONQUISTADOR:
10000 N Oracle Rd, Tucson, AZ 85704

Wednesday August 21st - 12:00 PM

Virtual (video conference) Workshop

Answers to your important questions

- What's really working on Wall Street and how can I avoid what's not?
- What does volatility mean to my portfolio?
- How do I maintain my income no matter what happens in the market?
- How can I avoid the pitfalls of variable annuities?
- What isn't my broker telling me about mutual funds?
- How to insulate your 401(k), 403(b) from devastating market corrections?
- How you can reduce management fees on your portfolio?
- How can I make sure I never run out of money without putting all of my money into an annuity?

Futurity First
 4400 E Broadway Blvd, Suite 712
 Tucson, AZ 85711
 www.FuturityFirstofSouthernaz.com
 520-668-9662



Build your retirement plan based on certainty and guarantees, not theories and guesswork.



Finally there is a planning model that is easy to understand and provides low cost, high yield, consistent income. This process avoids losses, reduces fees and puts more money where it belongs... in your pocket. It is so simple that you may say, "Why didn't I think of it myself."

This classroom course is focused on empowering you to make fact-based financial decisions. If you are wondering why the markets do what they do, seemingly without any rhyme or reason, this course is for you. Learn how to recognize the dangers in your financial plan and how to side-step their negative effects on your portfolio. Gain the confidence needed to move past daily market performance concerns and interest rates and enjoy retirement.

Retirement Income Planning Workshop



A 60-minute educational program preparing you with the financial basics of retirement planning.

Offered at our office for your convenience

4400 E Broadway Blvd, Suite 712
Tucson, AZ 85711

Tuesday, July 16th

Tuesday, September 17th

All workshops begin at either 12:00 pm or 6:00 pm

Seating is limited. Register today for your free seats!

520-668-9662

Course Outline

Part 1

- Our process
- What concerns retirees the most

Part 2

- Today's retirement landscape
- Key retirement ages and decisions
- Income gap

Part 3

- Risks affecting your portfolio

Part 4

- Sources of guaranteed income

Part 5

- Elements of a retirement income plan
- Make your money last a lifetime (or two)
- Inflation fighting tools
- How a simple plan can protect you from losing money or income in any market condition