

The Prosperity Press

A quarterly publication providing you with invaluable information in financial planning, wealth management, taxes and so much more!

What Are Your Health Insurance Options in Retirement?



Medicare, Individual Health Coverage, or COBRA?

Many of us spend our working years on a company-sponsored health care plan, or perhaps on a spouse's health care plan. When you (or your spouse) retire, you are likely going to make a change. Many soon-to-be retirees have questions about their health care options and the best way to prepare for the cost of health care as a retiree.

Medicare

Once you turn 65, you will be eligible for Medicare. For coverage effective 2021, Medicare open enrollment starts on October 15, 2020, and will continue through December 7, 2020. There are many options with Medicare. While federally provided Medicare Part A (hospital inpatient) and Part B (Medical outpatient) are the base requirement, most people end up needing secondary insurance or a supplemental Medigap plan. At Prosperity, we have partnered with HTA, a reliable Medicare resource. HTA can compare prices from 30+ leading insurance carriers, explain the products, and help complete the enrollment. They also remain continuously available for future questions.

COBRA

The Consolidated Omnibus Reconciliation Act (COBRA)

requires employers with 20 or more employees to offer 18 months of coverage for employees when they leave their job. COBRA is often an expensive option because when you continue your health care plan under COBRA, you are responsible for the entire premium (including the portion your employer paid while you were working). Insurance companies can also tack on extra fees.

Individual Health Coverage

You also have the option of buying your own health insurance. If you plan to do this, it's essential to shop around to get the best price. Insurance companies can sell plans directly to consumers or within the federal exchange. You can start comparing prices by going to www.healthcare.gov.

Along with establishing the federal exchange, the Affordable Care Act has also forbidden insurance companies from discriminating against consumers due to preexisting conditions. However, this doesn't mean you won't be charged more if you are older or have a condition.

What is the best way to save money for health insurance?

A Health Savings Account (HSA) may be a good option to save for health care in retirement. With an HSA, you can make tax-deductible contributions each year to pay for your current and future health care costs. Unlike an FSA account, the money you deposit into an HSA never "expires." You also have the option to invest the funds that are in your HSA account. Talk to your carrier to see what your options are.

Are you ready for retirement?

Depending on where you live and your age, health care can significantly impact your retirement budget. At Prosperity, we work with clients to help them find the best value and show them how that will factor into their overall retirement plan.

The American Rescue Plan Act

On Thursday, March 11, President Biden signed the American Rescue Plan Act into law. The new stimulus will inject our economy with \$1.9 trillion to help families, individuals, and businesses that continue to be impacted by the COVID-19 pandemic. The American Rescue Plan includes funding for the popular Paycheck Protection Program, direct stimulus payments, unemployment benefits, and more.

Provisions for businesses include but are not limited to:

- \$7.25 billion to the popular Paycheck Protection Program
- Employee Retention Credit is extended through Dec. 31st, 2021, and employers can now claim up to \$28,000 per employee
- New Restaurant Revitalization Grant adds \$25 billion to help restaurants impacted by COVID-19
- Shuttered Venue Operator Grants received an additional \$1.25 billion in funding

Provisions for individuals and families include, but are not limited to:

- Up to \$1,400 in stimulus payments for individuals and \$2,800 for couples (if income limits met)
- Increased Child Tax credit to \$3,600/year for children under 6 and \$3,000 for children above 6
- \$300 Unemployment Benefit extended through September 6th, 2021
- Student loan forgiveness that may pass between now and Jan. 1, 2026, will be tax-free
- Rental and Foreclosure Moratorium is not extended; however additional funding is provided to those struggling with housing costs

If you missed our recent webinar on the American Rescue Plan Act, a copy of the recording can be found at www.prosperityconsult.com/covid-19 or by emailing msj@prosperityconsult.com



THE PROSPEROUS LIFE



Introducing The Prosperous Life Podcast

Actionable tips to reduce your tax burden, secure your wealth, and account for your

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Are you ready to secure your wealth, reduce your tax burden, and account for your future? The Prosperous Life brings you a powerful collaboration between The Prosperity Consulting Group, a wealth management company, and The Hoffman Group, a full-service Certified Public Accounting firm. This podcast delivers actionable advice to help you embrace life, prepare for a comfortable future, and unite with your full potential.

Each episode will feature a 10 to 15-minute interview with our knowledgeable team members, including Certified Financial Planners (CFP®), Certified Public Accountants (CPA), and a Chartered Financial Analyst (CFA®) among others. Listeners will learn about tax-efficient investing strategies, saving for their future, optimizing their business structure, minimizing taxes, investment fees, and more.

If you're ready to expand your financial knowledge and make the most of your money, this show is for you.

Recent Episodes:

- Medicare Cost, Coverage, and More: Considerations to Make When Applying for Medicare
- Vaccine Roll-Out, Political Changes, and More: Where Is the Economy Headed in 2021
- Estate Planning Services: Major Pitfalls to Avoid When Preparing a Transfer of Assets
- Retirement Strategies – How Long Will My Money Last?

