



THE RETIREMENT REPORT

Monthly Medicare & Retirement Planning Newsletter



Annual Enrollment Period is soon!



By Anne de Leon

Medicare Annual Enrollment Period is coming up soon, so if you need to enroll or update your current plan, now is the time to start looking.

If this sounds like something you will be looking more into, it's best to start by understanding the differences between Medicare and your current health insurance. You should learn about Medicare eligibility, the different parts of Medicare insurance, what they cover, enrollment periods, and how delaying enrollment can result in penalties. These initial steps can help ease the transition from your current insurance to Medicare once you become eligible.

I'm discussing annuities in this month's newsletter and Medicare covering an Alzheimer's treatment. Also, I have information on how to handle social security benefits when a loved one passes away.

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Annuity Income Rider Basics

An annuity is a fixed sum of money paid to someone each year, typically for the rest of their life.

An annuity is a contract you can purchase from an insurance company. In exchange for the premium you pay to buy the annuity, the annuity issuer is obligated to pay you back either a single lump sum or monthly or annual installments. There are many kinds of annuities and ways to customize basic annuities.



The first major category refers to when payments start. Immediate annuities begin making payments to you when you buy the contract. Deferred annuities begin making payments at a later date. Another variation is based on how much money you'll make. Fixed annuities earn a preset interest rate on the funds in the annuity. Indexed and variable annuities may change growth rates depending on the performance of the market and individual investments.

Most annuities are purchased with riders that add special features to the basic annuity. Riders can provide a variety of benefits and protections. Living benefit riders, for instance, payout to you during your lifetime, while death benefit riders pay a spouse or other beneficiary after your death.

Income riders, also known as guaranteed minimum benefit riders, provide you with at least a certain level of payouts as long as you live. This minimum amount is guaranteed to be maintained by the issuer no matter what happens to the economy, interest rates, or the stock market. Most income riders these days also include some type of long-term care component in case you need those types of services later. Like other riders, you'll pay more for an income rider for the peace of mind that you won't have to get by with less money. Income riders are normally only available with deferred annuities.

How Annuity Income Riders Work

Income riders pay an annual or monthly benefit that are determined by multiplying the annuity's benefit base by the payout factor. The benefit base can change. It begins as the amount the purchaser originally paid for the annuity. Then, each year the benefit base will increase by a percentage called the growth rate specified in the annuity contract.

For instance, if you purchase a \$100,000 annuity with a growth rate of 7%, after the first year, the benefit base will have increased to \$107,000. The following year it will increase by another 7% to \$114,490, and so on.

The monthly or annual payment amount is determined by applying the payout factor to the benefit base. So, if the payout rate is 6% and the benefit base is \$114,490, the payout will total \$6,869.40 annually, or \$572 a month. The growth rate is no longer applied once the annuity holder starts receives payments based on the payout rate.



Annuity Income Rider Basics cont'd

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Annuity Income Rider Pros

Annuity income riders are popular with people who don't have multiple sources of income to fund retirement. Advantages include:

- Guaranteed minimum income for life
- Protection against market downturns
- Ability to take a lump sum

Annuity Income Rider Cons

Annuity income riders also have some limitations, however. Downsides include:

- An annuity income rider adds a fee, typically about 1%, internally inside an annuity contract. It is not a fee you pay direct to the insurance company, but rather a fee deducted from the growth of your product.
- Better for a steady stream. If you anticipate needing to take all the money out at some point, another choice might be better.

Bottom Line

Annuity income riders can provide retirees a guaranteed minimum income for life insulated from market fluctuations. Getting an annuity income rider requires paying a rider fee to the insurance company. Before purchasing an income rider, knowing the growth rate percentage and payout factor is important.

Whatever your retirement planning questions, a financial advisor can help you answer them. Finding a financial advisor doesn't have to be hard, but make sure that they understand your real goals, needs, and objectives, not only for today, but more importantly for the years ahead.

Current Annuity Rates

August 2023

5.41%

3 Year Fixed Annuity

5.60%

5 Year Fixed Annuity

5.45%

7 Year Fixed Annuity

To find out more,

contact me: 314-287-0179

Medicare Will Cover Leqembi, The New Breakthrough Drug To Help Delay The Onset Of Alzheimer's



Medicare has agreed to pay for the Alzheimer's treatment Leqembi, a major turning point for patients diagnosed with the disease's early stages.

Leqembi is the only drug on the market right now that has demonstrated the ability to slow the progression of early Alzheimer's disease in a clinical trial. The monoclonal antibody, administered twice monthly through intravenous means, slowed cognitive decline by 27% over 18 months in the trial. Leqembi is made by Japanese drugmaker Eisai and its partner Biogen, based in Cambridge, Massachusetts.

Medicare's decision to cover Leqembi, which came moments after the Food and Drug Administration fully approved the drug, promises to make the treatment more accessible to patients.

Medicare coverage is crucial for most patients to have any hope of being able to afford Leqembi. Eisai has priced Leqembi at \$26,500 per year before insurance coverage, which is extraordinarily expensive for Medicare patients with a median income of about \$30,000.

Medicare is picking up the majority of the bill, though many patients will still face several thousand dollars in out-of-pocket costs.

According to the CMS, patients with traditional Medicare will pay 20% of the bill for Leqembi. That means these patients could see an annual bill of more than \$5,000, according to an estimate from KFF, a nonprofit group that researches healthcare issues.

Continued on Pg.5

BACK TO SCHOOL WORD SCRAMBLE



1. ARICH _____
2. AFLG _____
3. UTLOALRCC _____
4. REKARM _____
5. ONOBOTEK _____
6. NCADRALE _____
7. SAERRE _____
8. PTLARES _____
9. KCAHL _____
10. SISSCSOR _____
11. CCPAKBKA _____
12. CLPNIE _____
13. KYEQOTQB _____

Medicare Will Cover Leqembi, The New Breakthrough Drug To Help Delay The Onset Of Alzheimer's cont'd

People with Medicare Advantage plans also typically pay 20% for drugs such as Leqembi, up to their out-of-pocket maximum, which was about \$5,000 on average for in-network services, according to KFF.



Patients with supplemental insurance such as Medigap or Medicaid might pay less, according to KFF.

People of modest means might not be able to afford the out-of-pocket costs for Leqembi even with Medicare coverage, said Tricia Neuman, an expert on Medicare at KFF. This is particularly concerning because Black and Hispanic people are at higher risk of Alzheimer's disease but are also more likely to have lower incomes, Neuman said. If demand for Leqembi is high, there are also concerns that patients might face long wait times to see specialists and receive infusions.

What are the coverage conditions?

Medicare has imposed certain conditions that must be fulfilled for patients to become eligible to have Leqembi covered.

- You must be enrolled in Medicare.
- You must be diagnosed with mild cognitive impairment or mild Alzheimer's disease with evidence of amyloid plaque on the brain.
- You must have a doctor participating in a registry and document whether you have had side effects from Leqembi.

To get diagnosed with Alzheimer's or a mild cognitive impairment, patients must undergo a cognitive evaluation and have a PET scan or spinal tap to detect the amyloid protein associated with the disease. PET scans are the most common method to detect amyloid because they are less invasive.

Medicare currently covers a single PET scan per lifetime to detect amyloid. CMS is reconsidering this policy and plans to issue a proposed rule soon, an agency spokesperson said.

The requirement that doctors enter information on the patient into a registry system is controversial. The Alzheimer's Association and some members of Congress is worried the data-collection requirement creates unnecessary red tape for patients to get treated. CMS has set up a nationwide portal to make it easy for doctors to enter the required information about their patients. CMS has released a video that shows doctors how to navigate the system.

Dr. David Knopman, a neurologist who specializes in Alzheimer's disease at the Mayo Clinic in Minnesota, said the registry is minimalist and unlikely to be burdensome to patients and physicians.



How To Handle Social Security Benefits When a Loved One Dies

Social Security benefits can be confusing when you lose a loved one - let's break it down.

Losing a loved one is hard, and to help you understand what Social Security provides and what needs to be done when a family member dies, here are some key points you should know.

Your first order of business will be to notify the Social Security Administration is notified when your loved one dies, so their monthly benefits will be stopped. Usually, the funeral home providing the burial or cremation services will do it. You'll need to provide your loved one's Social Security number to the funeral director so they can make the report. But, if they don't offer that service or you're not using a funeral home, you'll need to do it yourself by calling Social Security at (800) 772-1213.



When Benefits Stop

There are some things to be aware of regarding your loved one's Social Security benefits. For starters, you need to know that a person is due no Social Security benefits in the month of their death. With Social Security, each payment received represents the previous month's benefits. So, if your loved one were to pass away in August, the check for that month – paid in September – would need to be returned if received. If the payment is made by direct deposit, you must contact the bank or other financial institution and ask them to return any benefits sent after your loved one's death.

Survivor Benefits

When your loved one passes away, their spouse may be eligible for survivor benefits on their record if the surviving spouse is at least age 60 (50 if disabled). Here's how that works depending on their situation.

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Upcoming MO Medicare 101 Workshops



St. Louis County Library

Thornhill Branch

12863 Willowyck Dr

St. Louis, MO 63146

- August 30th at 6:00pm

St. Louis County Library

Eureka Hills Branch

500 Workman Rd

Eureka, MO 63025

- August 23rd at 6:00pm

St. Louis County Library

Samuel C. Sachs Branch

16400 Burkhardt Pl,

Chesterfield, MO 63017

- August 31st at 6:00pm

St. Louis County Library

Oak Bend Branch

9842 S Holmes Ave

St. Louis, MO 63122

St. Louis County Library

Daniel Boone Branch

300 Clarkson Rd

Ellisville, MO 63011

Register Today!

usamedicare101.org/adl

How To Handle Social Security Benefits When a Loved One Dies cont'd

Suppose the surviving spouse is receiving Social Security benefits based on their spouse's previous work record, their spousal benefit will automatically convert to survivor benefits when the government gets notice of death. They cannot receive both spousal and survivor benefits at the same time.



Widows are due between 71 percent (at age 60) and 100 percent (at full retirement age) of what the deceased was getting before they died. If the surviving spouse is eligible for retirement benefits (but hasn't applied yet), they can apply for retirement or survivor benefits when their spouse passes away and switch to the other (higher) benefit later. Or, if the surviving spouse is already receiving their retirement benefits on their work record, they could switch to survivor benefits if it offers a higher payment. They cannot, however, receive both benefits.

To apply for survivor benefits, they will must call Social Security at (800) 772-1213 and schedule an appointment. They can't do it online.

Death Benefit

In addition to survivor benefits, Social Security will also pay a one-time payment of \$255 to the surviving spouse if they lived with their spouse at the time of their death. If they were living apart, they might still receive this one-time payment if they're collecting spousal benefits on their work record.

Grilled Pepper and Onion Panzanella with Peperoncini Vinaigrette

These grilled peppers and onions are delicious – the perfect appetizer on a summer night.

Ingredients

- 10 to 12 ounces rustic bread (such as ciabatta or Pugliese) (from 1 [20-ounce] loaf), sliced 1 inch thick
- 3 small red and/or yellow bell peppers (about 5 ounces each), each cut lengthwise into 4 planks
- 1 large red onion (about 16 ounces), sliced into 1/2-inch-thick rounds
- ¼ cup plus 1 tablespoon extra-virgin olive oil, divided, plus more to taste
- 1 ½ teaspoons kosher salt, divided, plus more to taste
- ¼ teaspoon black pepper, divided, plus more to taste
- 8 peperoncini, sliced into thin rounds, plus 1/4 cup peperoncini brine (from 1 [15-ounce] jar), divided
- 3 ounces feta cheese, crumbled into large pieces (about 1/2 cup)
- ¼ cup torn fresh basil



Grilled Pepper and Onion Panzanella with Peperoncini Vinaigrette cont'd

Directions

1. Preheat grill to medium-high (400°F to 450°F). Brush bread slices, bell peppers, and onion rounds evenly with 2 tablespoons oil, and sprinkle evenly with 1 teaspoon salt and 1/8 teaspoon black pepper. Whisk together peperoncini brine, remaining 3 tablespoons oil, remaining 1/2 teaspoon salt, and remaining 1/8 teaspoon black pepper in a small bowl; set vinaigrette aside.
2. Arrange bread on unoiled grates; grill, uncovered, until nicely marked and toasted, 2 to 3 minutes per side. Transfer to a cutting board. Grill bell peppers and onion, covered, turning occasionally, until charred and tender, 8 to 10 minutes. Transfer to cutting board.
3. Cut bread into 1-inch cubes, and transfer to a large bowl. Slice bell peppers into thin strips, and separate onion rounds into rings; add to bread in bowl. Toss to combine. Drizzle with peperoncini vinaigrette, and toss again. Add additional salt and black pepper to taste, and add a drizzle of oil if salad seems dry. Top with peperoncini rounds, feta, and basil. Serve panzanella warm or at room temperature.



AEP is around the corner and it isn't too early to book an appointment with me in October to go over your options. Reach out to me ASAP to schedule your appointment. If you have an MA plan, and you're worried about your Out of Pocket Maximum, reach out to me to discuss your options!

BACK TO SCHOOL WORD SCRAMBLE ANSWERS

1. Chair
2. Flag
3. Calculator
4. Marker
5. Notebook
6. Calendar
7. Eraser
8. Stapler
9. Chalk
10. Scissors
11. Backpack
12. Pencil
13. Textbook
14. Paper



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