



# THE RETIREMENT REPORT

Monthly Medicare & Retirement Planning Newsletter



## Take Care of YOU! It's National Stress Awareness Month.

By Anne de Leon



April is recognized as National Stress Awareness Month to raise awareness about the adverse effects of stress. Effective stress management is crucial for maintaining a healthy lifestyle. Acquiring the skills to handle stress can enhance both mental and physical well-being as well as minimize exacerbation of health-related issues. Some actions that can help are taking breaks from screens, going outside, eating healthy, and getting enough rest.

In this newsletter, you will learn more about GoodRx, what it is and if it could be useful for you. Also, we dive into a little bit more on what annuities are and how they could help in retirement. Tax season is upon us and some deadlines are heading our way. I broke down what you need to know and when you need to make sure you have filed by. Thank you for reading! I am here for you if you need anything!

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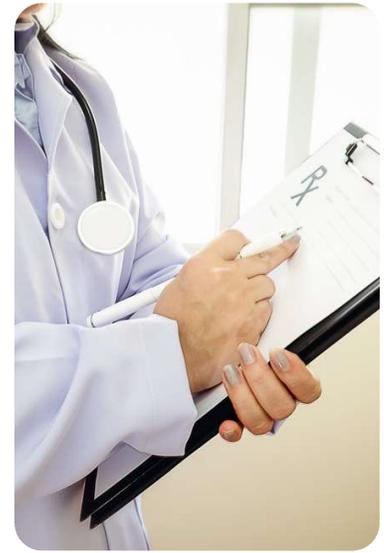
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# How Does GoodRx Work With Medicare?

The complexity of the American healthcare system is well-known, especially when it comes to obtaining prescription medications, which can be confusing and expensive. GoodRx offers consumers a solution by striving to increase transparency in drug pricing and providing discounts on prescription medications. However, what are the advantages and disadvantages of using GoodRx, and how does it interact with insurance plans, such as Medicare?



## What is GoodRx?

Established in 2011, GoodRx is a website and mobile application accessible to consumers at no charge, offering a platform that monitors prescription drug prices and furnishes coupons for discounts on medications. It is important to note that GoodRx functions independently of traditional insurance programs such as Medicare.

Doug Hirsch, co-founder, and chief mission officer of GoodRx, was inspired to create the company after facing a prescription dilemma. He received a medication prescription priced at approximately \$500 from his regular pharmacy. Seeking alternatives, he discovered varying prices, with one pharmacy quoting \$250 and another \$400 for what he presumed to be an inexpensive generic drug.

When he declined to make the purchase due to the high cost and left the pharmacy without the medication, the pharmacist pursued him into the parking lot, expressing a desire to assist him in obtaining the necessary medicine. "I started by accident to find out there were these drug discounts that would enable someone who's purchasing a drug to get it for much, much less," he says.

## How Does GoodRx Work?

Utilizing GoodRx enables you to conveniently obtain discounts to alleviate the expenses associated with prescription medications. GoodRx achieves this by establishing partnerships with pharmaceutical manufacturers and pharmacy benefit managers (PBMs). According to Hirsch, PBMs function akin to the "Ticketmaster of health care," negotiating with pharmacies to establish prices and copays for medications on behalf of insurance companies and employers.

"We're sort of Switzerland in the middle of trying to work on behalf of the consumer," Hirsch explains, adding that GoodRx brings together all the various discount programs to find which is the best one for you. "There's tremendous savings, and often you'll pay less than you would pay with a copay, or certainly if insurance doesn't cover it." Since it launched, Hirsch says, the company has saved Americans upward of \$70 billion.

## Using GoodRx

When you search for a specific medication in the app or on the website, you'll be presented with a list of nearby pharmacies and exactly what they are charging for that prescription. GoodRx currently works at more than 70,000 pharmacies across the United States. Hirsch also notes that GoodRx discounts medications that may be dispensed for your pet from a regular human pharmacy. Pets don't qualify for Medicare or human health insurance plans, obviously, but their health care expenses can add up quickly.

# How Does GoodRx Work With Medicare? cont'd

## What Is Medicare Part D?

Medicare, the federal health insurance program tailored for individuals aged 65 and older, along with some younger individuals with disabilities, consists of various components. Among them, Medicare Part D stands as an optional benefit provided by private insurance companies, aiming to cover certain prescription drug costs, either partially or entirely.

Each Part D plan maintains its own formulary, delineating the medications covered, subject to potential yearly modifications. Consequently, prices and benefits can fluctuate depending on your specific coverage. Thus, it is imperative to review the formulary of any Medicare Part D plan you consider purchasing during the annual enrollment period, ensuring that your required medications are included.

Whitney Stidom, vice president of Medicare operations at eHealth Inc., headquartered in Santa Clara, California, advocates for seniors to acquire Part D coverage. "Everyone on Medicare needs prescription drug coverage," she points out. "It's no secret that prescription drugs can be costly, especially without insurance. As a Medicare beneficiary, enrolling in drug coverage is one of the best things you can do to shield yourself from medical expenses."

## Do GoodRx and Medicare Part D Work Together?

GoodRx and Medicare can work together. However, you do not need to use both your Medicare card and GoodRx. "You use one or the other, but most pharmacists are happy to look at both prices and give you the cheaper one," Hirsch notes.

## GoodRx can help with Medicare coverage gaps

If a medication you need isn't covered by Part D, you'll have to pay for it out of pocket, which can get expensive. GoodRx, however, can often reduce the cost if you're prescribed a medication that's not included in your coverage plan.

GoodRx can also help reduce costs when you're in the coverage gap phase, sometimes called the donut hole, of your Medicare plan. That's the period when you and your drug plan have spent a certain amount for covered drugs. In 2024, that gap starts after you and your plan have spent \$5,030 on covered drugs. When you enter the coverage gap, you'll qualify for a discounted rate to buy prescriptions at the pharmacy or order them through the mail. GoodRx can further reduce those costs.

You can submit claims to your Medicare plan to get credit for spending that's occurred via GoodRx if you're trying to meet a certain deductible. You can also use the GoodRx app or website during your annual enrollment period to research drug prices, which may help you make the best selection of Part D plans available to you.

## Current Annuity Rates

April 2024

**5.90%**

3 Year Fixed Annuity

**5.83%**

5 Year Fixed Annuity

**5.65%**

7 Year Fixed Annuity

*To find out more,  
contact me: 314-287-0179*

# Hurt by inflation, Americans yearn for pensions in retirement. One answer may be annuities.

Inflation continues to erode the savings of Americans, leading many too long for a retirement benefit of the past: the pension. According to a survey conducted by Greenwald Research last fall, which polled 1,003 participants in company retirement plans such as a 401(k), 90% express concerns about the ability of their plans to provide a reliable income stream capable of withstanding the financial pressures of inflation. Inflation, which reached a 40-year high in 2022, exacerbates these worries.

The survey also revealed that 76% of respondents, a six-percentage-point increase from the previous year, fear they will deplete their savings, while 83% now desire guaranteed lifetime income. This sentiment reflects a growing demand for financial security, as indicated by the independent researcher's findings.

Until about the 1980s, the pension, or defined benefit plan, "was a very, very successful program for people," said Phil Maffei, head of corporate retirement solutions at insurance company TIAA. "You would get a portion of your income delivered as income for life when you retired."

## What happened to pensions?

Pensions can be expensive and risky for companies. Companies fund pensions and decide how to invest and grow them to keep them fully funded. It's also tricky to predict how much an employer will need to meet their retirees' pension obligations, especially with people living longer. Pensions also siphon away money that companies otherwise could use for investments that enhance the bottom line.

Pensions remain prevalent in the public sector, where 86% of government employees had access to them in 2022. In contrast, only 15% of private sector workers had similar benefits, as reported by the Bureau of Labor Statistics. As a response to this trend, many companies transitioned to defined contribution plans such as 401(k)s, which transfer the risk to employees. Under these plans, employees are tasked with financing their retirement accounts, sometimes with the company offering a matching contribution. Additionally, employees are responsible for managing and increasing their investments and determining the amount, if any, to withdraw.

## What went wrong with the defined contribution plan, or 401(k)?

The surge in inflation to a 40-year high highlighted the vulnerability of 401(k) plans. With individuals facing challenges in affording daily essentials, many tapped into their retirement savings or decreased their contributions. Aggressive interest rate increases added further pressure on household budgets, while market volatility deflated 401(k) balances, sparking heightened concerns about retirement security.

Most of the record 4.1 million boomers turning 65 each year from 2024-2027 don't have pensions, according to Jason Fichtner, chief economist of the Bipartisan Policy Center. The next-oldest generation, called Generation X, may be even worse off. They saved much less and were "the first generation to rely on 401k plans instead of pensions and the next in line to retire," said Deb Boyden, Head of U.S. Defined Contribution at Schrodgers, in a statement last December.



## Hurt by inflation, Americans yearn for pensions in retirement. One answer may be annuities. Cont'd

In January, online Medicare learning resource center MedicareFAQ surveyed 569 retirees, and 59% said they're concerned about their finances in retirement. Recent research from Fidelity Investments shows that while young people have recovered their 401(k) losses from 2022's market volatility, older adults haven't.

Also "the 401(k) plan was really designed to accumulate assets," Maffei said. "It never was designed to provide income." What we need to do now is figure out how to turn that money into a lifetime stream of income, he said.

### Will pensions return?

Possibly, but with a different appearance. During the walkout staged by the United Auto Workers union at the major three automakers last summer, one of their requests was a reinstatement of pensions. Ford's Chief Financial Officer, John Lawler, dismissed pensions as outdated and proposed enhancing 401(k) company contributions instead. Ultimately, what the UAW secured was an annuity alternative within their defined contribution plan. This option essentially enables them to construct their own individual pension by converting a portion of their 401(k) funds into an annuity.

### What is an annuity?

An annuity is a contract you buy from an insurance company that can guarantee you an income. Some allow regular payouts until you die or for a fixed number of years. How much you would receive varies, based on several factors, including age, how much you pay for the annuity, the insurance company, and the interest rates at the time the annuity was bought. Generally, annuities are popular when interest rates are rising or high because you can lock in a higher return. And they're usually offered when someone's near retirement, said Tina Wilson, chief product officer at retirement plan provider Empower.

Annuities have been around for a long time, but have drawn some complaints that they're expensive, complicated and tie up your money so you can't access it in case of an emergency. However, proponents say many of those issues have been worked out since Congress included a provision in the Secure Act, passed in December 2019, to allow annuities inside defined contribution plans. For example, the UAW plan offers workers a discounted price for the annuity and is customized to make sure employees keep a portion of liquid savings.

"Nobody should annuitize their entire (401(k) balance," Maffei said. People heading into retirement should figure out what their recurring living expenses are for things like food, medical, housing, insurance premiums and what's covered by Social Security and other forms of steady income. "Whatever's left that's not covered by that secure source of income, that's probably at least the amount that you should convert from your 401(k) plan to a stream of lifetime income," he said.

You would continue to hold investments that can grow in your 401(k), but the annuity would provide some stable income. "Employees are anxious to get income options available to them," said Wilson. "It gives them peace of mind.

"There's nothing incredibly mystical or mythical about annuities," Maffei said. "They simply are a way to insure your income stream. We insure our autos, we insure our health, we insure our home. We get umbrella policies. We do all sorts of insurance. And annuities are just insuring an income stream."

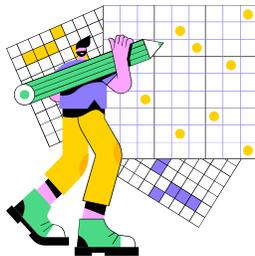
# Coffee Break!

Enjoy a full page of brain puzzles! Answers are on Page 8.

## Sudoku

Sudoku Rules:

- Each row should have numbers 1-9, no repeats.
- Each column should have numbers 1-9, no repeats.
- Each 3x3 quadrant should have numbers 1-9, no repeats



	2					9	8
	9		8	2			
		5		3	6		
						4	
			7	4		2	
6		7	1				3
				7	8	1	
			3				
3			6	1	5	8	

## Spring Word Search

Find and circle all of the words that are hidden in the grid.  
The remaining letters spell a message about Spring.

T L E M W O N S S S A R G L A  
 G C Y C L A M E N S A L I L P  
 G N G R O W T H R L L L R S  
 O Y I I D L S A R A I E S N N  
 L A L N K A I E B E R R O H E  
 F M L O A N F E S G M I P W W  
 E N A E E E S F I U L R R A L  
 I O B Q R A L E O E C S A B E  
 R S T U B E S C D D F O S W A  
 I A F I G R N N G L I N R H V  
 S E O N N R A E O N I L C C E  
 E S S O I D E W W B I R S B S  
 S I N X R G E E O A A R M E G  
 A Y F L P R O R N M L W P E O  
 E T E W S S P I L U T R S S R

- |            |            |                 |
|------------|------------|-----------------|
| ALLERGIES  | FROGS      | RAIN            |
| APRIL      | GOLF       | RENEWAL         |
| BASEBALL   | GRASS      | ROBINS          |
| BEES       | GREEN      | SEASON          |
| CROCUSES   | GROWTH     | SNOWMELT        |
| CYCLAMENS  | IRISES     | SOFTBALL        |
| DAFFODILS  | LILIES     | SPRING BREAK    |
| DANDELIONS | MARCH      | SPRING CLEANING |
| EASTER     | MAY        | TULIPS          |
| EQUIONX    | NEW LEAVES | WARMER          |
| FLOWERS    | PLANTING   | WET             |



## 2024 IRS Tax Deadlines You Can't Afford to Miss

Looking ahead to the rest of 2024, we can highlight significant dates on our calendars: birthdays, anniversaries, and, naturally, the deadlines set by the Internal Revenue Service (IRS) for filing and paying federal income taxes.

It's important to note that we're filing taxes for income earned in 2023, even though we submit those forms in 2024. To avoid confusion, tax experts refer to 2023 as the tax year and 2024 as the filing year. Most, but not all, deadlines in 2024 pertain to tax year 2023.

### When is Tax Day 2024?

For the first time in five years, the deadline for filing 2023 federal income tax returns for most taxpayers is the traditional date: April 15.

Due to the pandemic and various state holidays, taxpayers haven't had to file on April 15 since the 2019 filing season. In 2020 and 2021, the April 15 deadline got pushed back by the COVID-19 pandemic. And in some non-pandemic years, the deadline gets pushed back to the next business day because April 15 falls on a weekend. But now we're back to the traditional Tax Day deadline – with the exception of taxpayers living in Maine or Massachusetts, who have until April 17, 2024, due to the Patriot's Day and Emancipation Day state holidays.

### 2024 IRS Key Tax Dates:

**April 15:** Filing deadline for 2023 taxes. First estimated tax payment for tax year 2024 due.

**June 17:** Second estimated tax payment for 2024 due

**Sept. 16:** Third estimated tax payment for 2024 due

**Oct. 15:** Extended deadline to file 2023 tax return

**Jan. 15, 2025:** Fourth estimated tax payment for 2024 due



### Filing late?

Don't blow the deadline. The penalty for late filing is 5 percent of the amount due each month, and the penalty for failure to pay is 0.5 percent a month, maxing out at 25 percent a year. (When both penalties are levied in the same month, the total penalty is 5 percent a month: 4.5 percent for failure to file and 0.5 percent for failure to pay.) Interest also accrues, at a current rate of 8 percent.

If you must file late, you can get an automatic extension by filing IRS Form 4868. The automatic extension gives you until Oct. 15 to file your return.

Some taxpayers affected by recent natural disasters get extra time to file. For example, victims of December's severe storms and tornadoes in Tennessee now have until June 17, 2024, to file federal tax returns and make tax payments.

### Paying estimated taxes

The self-employed must pay estimated taxes every quarter. The first payment for the 2024 tax year is due April 15, with other payments due June 17, Sept. 16 and Jan. 15, 2025.

# Upcoming MO Medicare 101 Workshops

## Jefferson County Library

### Arnold Branch

1701 Missouri State Rd  
Arnold, MO 63010

- April 11th at 6:00pm

## St. Louis County Library

### Meramec Valley Branch

1501 San Simeon Way  
Fenton, MO 63026

- April 8th at 6:00pm

## St. Louis County Library

### Grant's View Branch

9700 Musick Ave  
St. Louis, MO 63123

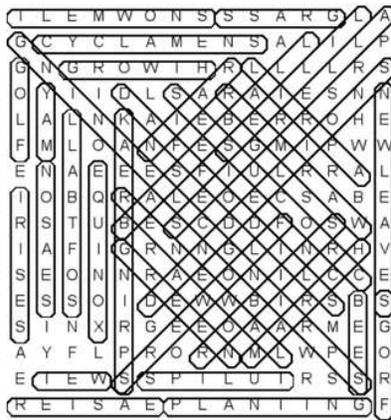
- April 2nd at 1:00pm



Register soon:  
[usamedicare101.org/adl!](https://usamedicare101.org/adl!)

Thanks for reading! Please contact me with any questions about Medicare or your retirement planning.

1	2	6	4	5	7	3	9	8
7	9	3	8	6	2	4	1	5
4	8	5	9	1	3	6	7	2
2	3	9	5	8	6	7	4	1
8	5	1	7	3	4	9	2	6
6	4	7	1	2	9	8	5	3
5	6	4	2	7	8	1	3	9
9	1	8	3	4	5	2	6	7
3	7	2	6	9	1	5	8	4



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