



THE RETIREMENT REPORT

Monthly Medicare & Retirement Planning Newsletter



June is National Annuity Awareness Month

By Anne de Leon



June marks the beginning of Annuity Awareness Month, making it the perfect time to dive into the world of annuities and discover their benefits. As I've mentioned before, annuities play a crucial role in long-term retirement planning. In this month's edition, we'll explore fixed and index Annuities, helping you decipher the best investment choice for your unique financial goals.

Additionally, we'll delve into the intricacies of Medicare enrollment when retiring in 2024, ensuring you have the information you need to make informed decisions about your healthcare coverage. And finally, we'll take a look at the potential forecasting of the average Social Security payment in 15 years, giving you insight into your future retirement income. Thanks for being part of our newsletter community, Be sure to check out Keepin' Up With Anne! See you in the next edition!

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Exploring Fixed and Index Annuities: Deciphering the Best Investment Choice



In today's uncertain financial landscape, the quest for guaranteed income in retirement is a top priority for many Americans. Concerns about outliving savings or coping with unexpected expenses drive individuals to seek secure investment options.

According to a recent study by the Alliance for Lifetime Income, 51% of consumers aged 45 to 75 fear their savings won't last their lifetime, while 32% worry about covering essential living costs in retirement. This heightened anxiety underscores the growing interest in safer investment vehicles, such as annuities, which promise stable income streams.

An Introduction to Annuities

Annuities, contractual agreements offered by insurance companies, provide annuitants with periodic payments over a predetermined period. Despite their potential benefits, annuities have faced criticism due to complex structures and high-pressure sales tactics. However, experts like Robert R. Johnson, a finance professor at Creighton University, emphasize their value, particularly longevity annuities, which guarantee income in later life at a reasonable cost.

Key Features of Annuities

One crucial aspect of annuities, highlighted by financial consultant Steve Azoury, is their tax-deferred status, unlike taxable investments like certificates of deposit (CDs). Annuities offer two primary options: fixed and index annuities.

Fixed Annuities: A fixed annuity ensures a predetermined return over its term, typically starting at three years. The interest compounds annually, offering predictability and stability.

Index Annuities: Also known as fixed index or indexed annuities, these products provide returns linked to a market index's performance. While the principal remains protected from losses, the returns vary based on the index's fluctuations.

Comparing Fixed and Index Annuities

Both fixed and index annuities guarantee the return of the principal amount and lock in funds for the annuity term. However, they differ in their earning potential:

Fixed Annuities: Offer predictable returns based on a fixed interest rate, providing stability and ease of planning.

Index Annuities: Present the potential for higher returns tied to market performance, with downside protection against losses.

Current Annuity Rates

June 2024

5.90%

3 Year Fixed Annuity

5.83%

5 Year Fixed Annuity

5.75%

7 Year Fixed Annuity

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

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Exploring Fixed and Index Annuities: Deciphering the Best Investment Choice Cont'd.

Pros and Cons of Each Option

Fixed Annuities:

Pros: Easy to understand, predictable returns often exceeding CDs.
Cons: Funds remain locked up, potential to miss out on market gains.

Index Annuities:

Pros: Limited downside risk, potential for higher returns, suitable for conservative investors.
Cons: Limited upside compared to higher-return investments, lack of liquidity.

Making the Choice

The decision between fixed and index annuities hinges on individual comfort levels with uncertainty and investment goals. Fixed annuities suit those seeking predictable returns, while index annuities appeal to investors willing to trade some certainty for potential market-linked gains.

Annuities in Retirement Planning

Annuities play a vital role in retirement income planning, offering reliable cash flow akin to bonds. Financial planners recommend a strategic approach, aligning annuity maturities with retirement phases to optimize returns and minimize tax implications.

Exploring Alternatives

While annuities provide stability, investors should consider alternative options like bonds, CDs, or money market accounts for steady income streams. Understanding the nuances of each investment vehicle is essential for informed decision-making and long-term financial security.



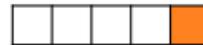
SUMMER DAYS Word Scramble

Unscramble the words, then use the highlighted letters to figure out the secret message.

Hint: The secret message is scrambled too.



cheab



ensrsecun



esbablal



oplo



iacnotva



rbueecba



reamwntelo



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Navigating Medicare Enrollment When Retiring in 2024

As you prepare for retirement in 2024, understanding Medicare enrollment is crucial. Depending on your specific circumstances, there are several factors to consider. Below, we outline key points to keep in mind and provide guidance tailored to different retirement scenarios.



Essential Medicare Considerations for 2024 Retirees

Regardless of your age, if retirement is on the horizon for 2024, it's essential to familiarize yourself with Medicare and its enrollment process. Here are some vital aspects to consider:

- **Initiate Early Conversations:** Engage with your employer's benefits administrator at least six months before your planned retirement date, if possible. Discuss the implications for your spouse and dependents, inquire about retiree coverage options, and seek clarification on how Medicare integrates with your existing benefits.
- **Mark Enrollment Period Dates:** If you're under 65 or will turn 65 at retirement, identify and mark your calendars with your Initial Enrollment Period (IEP) dates. If you're over 65 and qualify for delayed enrollment, note your Special Enrollment Period (SEP) dates.
- **Timely Enrollment:** Enroll in Medicare promptly to avoid late enrollment penalties for Parts A, B, and/or D. Whether it's during your IEP or SEP, taking proactive steps ensures seamless coverage transitions and financial security.

Retiring Before Turning 65 or at Age 65

If retirement occurs before or at age 65, proactive planning is essential to navigate Medicare enrollment effectively. Here's what to consider:

- Enroll during your Initial Enrollment Period, beginning three months before your 65th birthday month, to prevent late enrollment penalties.
- Initiate enrollment before losing employer coverage to avoid coverage gaps, ideally about three months in advance.
- Explore options such as retiree coverage or COBRA, understanding their compatibility with Medicare and their availability to your spouse and dependents.
- For those not turning 65 for another year or two, secure individual health insurance if retiree coverage isn't offered, ensuring seamless coverage transitions.



Navigating Medicare Enrollment When Retiring in 2024 Cont'd..



Retiring at Age 65 or Older

If retirement occurs at age 65 or older, enrollment dynamics differ, mainly if you had creditable employer coverage. Here's what you need to know:

- Enroll during your Special Enrollment Period, commencing upon retirement or loss of employer coverage, whichever happens first.
- Adhere to enrollment deadlines, with an eight-month window for Parts A and B, and 63 days post-employer coverage termination for Parts D or C enrollment.
- Familiarize yourself with Medicare coverage options and initiate learning about Medicare at least four to five months before retirement to avoid inadvertent late enrollment penalties.

Commence Medicare Education Before Retirement

Regardless of retirement timing or specific circumstances, early engagement with your employer's benefits administrator and proactive learning about Medicare are paramount.

By taking these initial steps, you'll navigate Medicare enrollment confidently, mitigate potential penalties, and ensure seamless transitions into retirement healthcare coverage.

Upcoming MO Medicare 101 Workshops

St. Louis County Library Thornhill Branch

12863 Willowick Drive
St. Louis, MO 63146

- June 12th at 5:00pm

Jefferson County Library Arnold Branch

1701 Missouri State Rd
Arnold, MO 63010

- June 13th at 6:00pm

St. Louis County Library Meramec Valley Branch

1501 San Simeon Way
Fenton, MO 63026

- June 18th at 6:00pm

St. Louis County Library Grant's View Branch

9700 Musick Rd.
St. Louis, MO 63123

- June 20th at 6:00pm



Seating is Limited
Register Here:
usamedicare101.org/adl!

Forecasting the Average Social Security Payment in 15 Years



For many retirees-to-be, Social Security is a crucial component of their retirement income. But what does the average Social Security payment look like in 15 years? Martha Shedden, a Certified Financial Planner (CFP) and president of the National Association of Registered Social Security Analysts sheds some light on this.

The current average Social Security benefit sits around \$1,900 per month. While predicting future economic conditions isn't straightforward, Shedden suggests that with a 2.25% inflation rate, the average benefit could reach \$2,663 in 15 years. However, historical data shows a 2.6% cost-of-living adjustment (COLA) over the past two decades, indicating a potential average benefit closer to \$2,802.

Despite these projected increases, Shedden emphasizes that the purchasing power for recipients won't dramatically change. In essence, what feels like \$1,907 today would maintain a similar value in their budget 15 years down the line.

Underestimating Social Security Benefits

Contrary to common belief, Shedden notes that many individuals underestimate their potential Social Security benefits. Even high-earning couples may be eligible for substantial amounts, sometimes reaching millions over their lifetimes. However, Shedden stresses that Social Security's primary aim is to prevent poverty in retirement, especially for lower-income individuals who rely on it for a significant portion of their retirement income.

Planning Ahead and Diversifying Income Sources

As concerns about Social Security's future stability loom, Brian Kuhn, a CFP and senior vice president at Wealth Enhancement Group, highlights the possibility of benefit reductions by 2033 to maintain program stability. This underscores the importance of not relying solely on Social Security for retirement income.

Shedden advocates for early retirement planning, emphasizing the significance of starting to save and invest as soon as possible. By taking advantage of employer-based retirement accounts and maximizing employer matches, individuals can bolster their retirement funds. Additionally, those planning later in life should focus on growing their savings and exploring other sources of guaranteed income to sustain their desired lifestyle in retirement.

By adopting these proactive strategies, individuals can better prepare for retirement, regardless of the anticipated Social Security benefits in the future.

Summer Survival Guide: Beat the Heat and Soak Up the Sun Safely

As temperatures soar and the sun shines brighter, it's crucial to arm yourself with the knowledge and precautions to enjoy summer safely. Heat-related illnesses can sneak up on anyone but with these tips, you can stay cool, hydrated, and protected from harmful UV rays.

Combatting the Heat:

Stay Hydrated: Keep a colorful water bottle by your side as a visual reminder to drink plenty of water throughout the day. Hydration is key to preventing heat-related issues.

Time Your Activities: Opt for outdoor activities during the cooler morning hours or evenings whenever possible. If you must be outside during peak heat hours, take frequent breaks in shaded areas.

Seek Shade: When outdoors, find shelter under trees, umbrellas, or canopies to escape direct sunlight. Wearing a hat can also provide additional shade and protect your head from sunburn.

Mind the Humidity: High humidity levels hinder your body's ability to cool down through sweat evaporation. Be extra cautious in humid conditions and take breaks in air-conditioned spaces whenever feasible.

Find Cool Retreats: If your home lacks air conditioning, seek refuge in public places like shopping malls or libraries. Spending just a few hours in air-conditioned environments can prevent heat-related illnesses.

Pet Safety: Don't forget about your furry friends! Ensure they have access to shade, plenty of fresh water, and never leave them in hot cars, as temperatures can skyrocket rapidly.

Recognizing Heat-Related Symptoms:

Stay vigilant for signs of heat exhaustion or sunstroke, such as headaches, nausea, dizziness, heavy sweating, thirst, and elevated body temperature. If you experience any of these symptoms, seek shade and hydration immediately.

Protecting Your Skin:

Sunscreen Savvy: Apply sunscreen with SPF 15 or higher generously and reapply every few hours, especially after swimming or sweating. Don't forget often-missed areas like your ears, neck, and feet.

Cover Up: Wear lightweight, long-sleeved clothing made from breathable fabrics to shield your skin from UV exposure. Many clothing brands offer garments with built-in sun protection for added defense.

Don the Right Hat: Opt for a wide-brimmed hat that shades your face, ears, and neck to prevent sunburn and reduce the risk of heat-related issues.

Shield Your Eyes: Invest in sunglasses that block both UVA and UVB rays to protect your eyes from sun damage and reduce the risk of cataracts.

With these summer survival strategies in mind, you can make the most of the season's outdoor adventures while keeping your health and well-being a top priority. Stay cool, stay hydrated, and soak up the sun safely!



Keepin' Up With Anne -



This spring I added webinars to my schedule, along with in-person workshops. I must admit although it is nice to be able to give a workshop from the comfort of my office, it still feels strange staring at a computer and only seeing my own face 😞. I will continue to always have in person workshops for those of you that like that personal touch but will add a few webinars, especially when the weather gets colder.

Thanks to all of my wonderful clients, We were so blessed to be awarded an annual trip for outstanding performance and received an all inclusive trip to Cancun. While we were in Cancun, I actually won the celebrity costume contest on the last night. I dressed up as Prince and we had the best time.

We also finally got to take a long weekend in our little pull behind camper down to Springs Arkansas, What a beautiful place! They have amazing botanical gardens and even got to watch a young couples wedding reception with the tulips in full bloom! Of course Miss Shelby, our crazy puppy, was the hit of the campsite... she loved all the parks and hiking and playing with the other dogs. However.. Camping is a lot of work!!! 😂.

Now the summer is here and I am back to workshops and like every summer, Annual Enrollment will come before we know it!



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

Word Scramble Answers

- cheab **BEACH**
- ensrsecun **SUNSCREEN**
- esbablal **BASEBALL**
- oplo **POOL**
- iacnotva **VACATION**
- rbueecba **BARBECUE**
- reamwntelo **WATERMELON**

SCHOOL 'S OUT !



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