



THE RETIREMENT REPORT

Monthly Medicare & Retirement Planning Newsletter



Welcome 2025: A Year of Opportunities and Financial Wellness

By Anne de Leon



As we enter a brand-new year, it's the perfect time to focus on fresh beginnings, set goals, and embrace the opportunities ahead. January isn't just about resolutions—it's also Financial Wellness Month, a time to prioritize your financial health and take steps toward greater stability and success in 2025.

This month's newsletter is packed with valuable insights, including updates on Social Security changes and new Medicare payment plans that could impact your finances, as well as practical tips for creating a budget, managing debt, and exploring tools like final expense insurance to support your long-term planning.

As always, we're here to guide you every step of the way. Let's make 2025 a year to achieve milestones, reduce stress, and build a stronger, brighter future together. Stay tuned for all the insights and resources to help you start the year off right!

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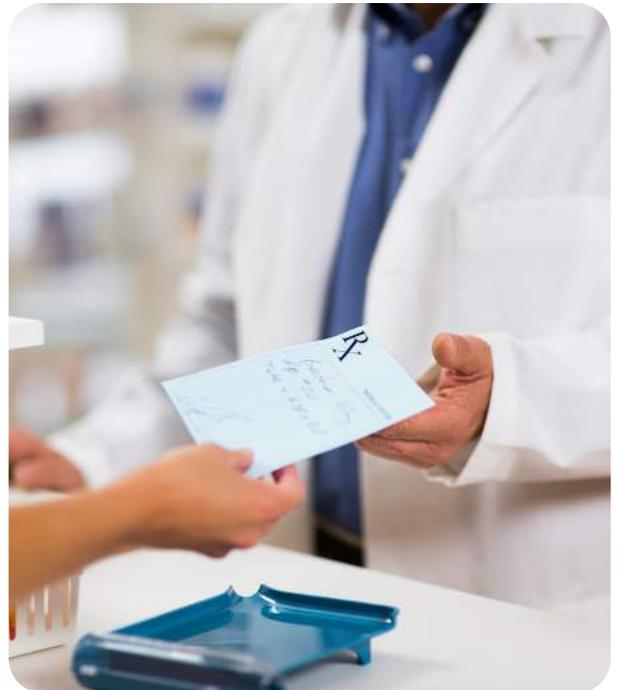
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5 Things to Know About the New Medicare Prescription Payment Plan in 2025

Medicare is introducing a significant change to Part D prescription drug coverage starting in 2025. This change, designed to ease out-of-pocket expenses for medication offers a fresh approach to managing prescription costs—just in time to align with your New Year’s resolutions to prioritize financial and health well-being. Here’s everything you need to know about the new Medicare Prescription Payment Plan and how it could impact you.

1. Spreading Out-of-Pocket Costs

Starting in 2025, Medicare Part D enrollees will have a \$2,000 cap on out-of-pocket prescription drug costs—a historic move expected to benefit millions of Americans. For those who hit this cap early in the year, Medicare’s new Prescription Payment Plan allows you to spread your payments across the calendar year instead of paying all at once.



For example, a \$2,000 January bill could be divided into manageable monthly payments of around \$167. This doesn’t reduce your overall medication costs, but it does help address the sticker shock many experience when faced with significant, upfront expenses.

2. How the Program Works

If you opt into the payment plan, you’ll no longer pay for prescriptions at the pharmacy counter. Instead, your Medicare drug plan will send you a monthly bill for the amount owed.

Your monthly bill may vary depending on your prescription activity. For example, if you start a new medication midway through the year, your monthly payments could increase slightly to account for the new expense.

However, your total payments by the end of the year won’t exceed the \$2,000 out-of-pocket cap for 2025. This system ensures predictable, manageable payments while offering flexibility for those with fluctuating medication needs.

3. Who Benefits Most?

While the program is an excellent option for some, it may not be ideal for everyone.

- **Best Fit:** People with high prescription costs early in the year will likely benefit the most, as it allows them to spread those payments over several months.
- **Less Suitable:** Individuals with low or consistent monthly medication expenses might not gain much from the program. It’s also less effective for those who enroll later in the year since there will be fewer months to divide the payments.

To determine if this plan is right for you, contact me if you have any questions. Tools on Medicare.gov can also help compare your monthly costs with and without the payment plan.

Medicare Prescription Payment Plan in 2025 cont'd...

4. Enrollment Is Flexible

The Medicare Prescription Payment Plan offers flexibility in how and when you enroll:

- **During Open Enrollment:** If you know you'll benefit from the program, you can sign up during Medicare's open enrollment period, which runs from October 15 to December 7, for coverage starting in 2025.
- **Anytime During the Year:** If your medication costs increase after the year begins, you can enroll at any time in 2025.

The program has no enrollment fee, making it a no-cost option to manage your prescription expenses.

5. Additional Ways to Save on Drug Costs

While the new payment plan helps manage cash flow, it doesn't lower the cost of your medications. However, you may be eligible for programs that do, such as:

- **Medicare Extra Help Program:** This program, expanded under the 2022 prescription drug law, reduces medication costs for qualifying individuals.
- **Medicare Savings Programs:** These programs can assist with drug and healthcare expenses.

Open enrollment is also the perfect time to compare drug plans. Be sure to choose a plan that covers your prescriptions and offers the best overall costs.

A Step Toward Better Financial Wellness

The Medicare Prescription Payment Plan is another tool to help older Americans navigate their healthcare expenses. While it doesn't reduce overall costs, it simplifies payment management, especially for those with high prescription needs early in the year.

As you set your goals for the new year, take this opportunity to review your healthcare plan, explore cost-saving options, and consider whether the new payment plan fits your needs. Here's to a healthier and financially secure 2025!

Quick and Healthy Quinoa Salad Recipe

This vibrant quinoa salad is packed with fresh flavors and nutritious ingredients, making it both delicious and good for you. With mango, shredded coconut, raisins, almonds, edamame, and a tangy lime balsamic vinaigrette, it's the perfect combination of taste and health. Cook the quinoa according to package instructions and let it cool. In a large bowl, combine the quinoa, salad ingredients, and the dressing made by whisking together lime juice, vinegar, honey, olive oil, salt, and pepper, then toss well and serve chilled.



Ingredients

- Quinoa: Cooked and cooled (or leftover works too!)
- Mango: Fresh preferred, but frozen cubed works
- Red Onion: Or any onion variety you like
- Bell Pepper: Red is great, but any color works
- Shredded Coconut: Unsweetened
- Almonds: Slivered or sliced, toasted for extra flavor
- Raisins: Substitute dried apricots or raisins if desired
- Edamame: Fresh, frozen, or canned
- Cilantro: Swap for parsley if preferred

Kickstart the New Year with Financial Wellness Month

The start of a new year is a time of fresh beginnings, resolutions, and planning for the future. As I mentioned, it's Financial Wellness Month, a perfect opportunity to refocus on your financial health after the whirlwind of holiday spending. This month serves as a reminder to take charge of your finances, establish healthy money habits, and set yourself up for a successful year ahead.



What Is Financial Wellness Month?

Financial Wellness Month was created to encourage individuals to reflect on their financial health and adopt better money management practices. It's a time to evaluate how you earn, spend, save, and invest to ensure long-term financial security.

Financial wellness isn't just about having money; it's about building a stable financial foundation that supports your current needs while preparing for future uncertainties. For many, this means reducing debt, saving for retirement, and setting financial goals.

Employers play an essential role in promoting financial wellness, too. Studies show that financial stress can impact workplace productivity. By offering educational programs on budgeting, saving, and debt management, businesses can help employees achieve greater financial peace of mind.

New Year, New Financial Resolutions

The new year is the perfect time to reevaluate your financial goals. Here are some steps to help you get started:

1. Create a Financial Plan

Think of a financial plan as your roadmap for the year. Outline your fixed expenses (like rent or mortgage payments), variable expenses, savings goals, and potential investments. A clear plan provides direction and accountability for the months ahead.

2. Set a Budget and Stick to It

One of the biggest financial pitfalls is spending beyond your means. Take time to create a realistic budget that aligns with your income. Sticking to it can help you avoid unnecessary debt and build a habit of saving regularly.

3. Establish an Emergency Fund

Unexpected expenses can derail even the best financial plans. Aim to save three to six months' of living expenses to cover emergencies like medical bills or car repairs.

4. Review Your Credit Report

Your credit score is a key indicator of your financial health. Reviewing your credit report helps you understand where you stand and identify areas for improvement, such as paying off outstanding debt or reducing credit card usage.

5. Set Financial Goals

Whether you want to pay off student loans, save for a dream vacation, or start investing, setting clear financial goals gives you something to work toward. Break your goals into smaller, actionable steps to stay on track throughout the year.

Kickstart the New Year cont'd...

Fun Facts About Money



The Liberty Head Nickel: A coin minted in 1931 sold for \$43.7 million!



Costly Pennies: It costs 2 cents to produce a penny—more than the coin's actual value.



Community Currencies: Over 60 U.S. communities have their own local currencies alongside the dollar.



Martha Washington: She's the only woman to appear on U.S. currency notes, back in 1886, 1891, and 1896.



The Mystery of \$100 Bills: Nearly two-thirds of \$100 bills are unaccounted for—they're neither in banks nor federal reserves!

Why Financial Wellness Month Matters

1. It Helps You Budget Better

Taking time to focus on financial wellness encourages better budgeting and planning. By facing your financial situation head-on, you can identify areas for improvement and take control of your money.

2. It Reduces Anxiety

Money worries can be a significant source of stress. Financial Wellness Month reminds us that even small steps can lead to big improvements, reducing anxiety and boosting confidence in your financial future.

3. It Promotes Financial Stability

This month is an opportunity to prioritize financial stability. Whether it's through education, planning, or taking action, Financial Wellness Month is a great time to start building a more secure future.

The Bottom Line

January's Financial Wellness Month is a reminder that financial health is an ongoing journey, not a one-time task. By setting realistic goals and taking small, consistent steps, you can build a foundation of financial stability for the year ahead—and beyond. Make this year the one where you take control of your finances and turn resolutions into reality. Here's to a prosperous and financially healthy new year!

Current Annuity Rates January 2025

5.21%

3 Year Fixed Annuity

5.50%

5 Year Fixed Annuity

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

QUOTE FOR 2025

Every year you make a resolution to change yourself. This year, make a resolution to be yourself.

UNKNOWN



Biggest Social Security Changes Coming in 2025

The start of a new year often brings changes, and for Social Security beneficiaries and contributors, 2025 is no exception. With updates to monthly payments, tax thresholds, and service processes, it's important to stay informed about what's coming. These adjustments, influenced by inflation, wage trends, and policy shifts, will impact millions of Americans, from retirees to workers paying into the system. Here's a breakdown of the most significant Social Security changes for 2025.



1. Cost-of-Living Adjustment (COLA)

Starting in January, Social Security beneficiaries will see a 2.5% increase in their monthly payments, reflecting the cost-of-living adjustment (COLA). This adjustment is lower than the previous year's 3.2%, continuing a trend of cooling inflation.

The average retirement benefit will increase by \$49 a month, from \$1,927 to \$1,976. This COLA applies to all Social Security benefits, including retirement, disability, and survivor benefits, as well as Supplemental Security Income (SSI).

2. Medicare Premiums Increase

Medicare Part B premiums, which cover doctor visits and outpatient services, are rising from \$174.70 to \$185 monthly. For most Medicare enrollees, these premiums are automatically deducted from Social Security payments, meaning the COLA increase will partially offset this higher cost.

3. Changes to Social Security Office Services

Starting January 6, 2025, most Social Security offices will require appointments for in-person services, including Social Security card requests. This shift aims to reduce wait times and improve service quality. While appointments will be the norm, certain individuals—such as those in vulnerable populations or those with urgent needs—will still be able to walk in without an appointment.

You can schedule an appointment by calling the SSA helpline at **800-772-1213** or through your local Social Security office. Many services are also available online via the **My Social Security** portal.

4. Full Retirement Age (FRA) Update

The full retirement age (FRA)—the age when you can claim your full Social Security retirement benefit—continues its gradual increase.

- For those born from May 2, 1958, to February 28, 1959, FRA will be 66 years and 10 months in 2025.
- For people born in 1960 or later, FRA will settle at 67.

You can still claim benefits as early as age 62, though payments will be permanently reduced by up to 30%. Alternatively, delaying benefits past FRA increases your monthly payments by 8% annually until age 70.

5. Social Security Tax Adjustments

The amount of income subject to Social Security taxes will increase in 2025:

- Workers will pay Social Security taxes on earnings up to **\$176,100**, up from \$168,600 in 2024.
- Earnings above this threshold are not taxed for Social Security purposes.

Self-employed individuals pay both the employee and employer portions of the tax, totaling 12.4%.

Biggest Social Security Changes cont'd...

6. Earnings Test Updates

Social Security reduces benefits for people who claim early and continue to work, based on their earnings:

- In 2025, the earnings limit for early claimants will rise to \$23,400 (up from \$22,320 in 2024). Benefits are reduced by \$1 for every \$2 earned above this limit.
- For individuals reaching FRA in 2025, the limit increases to \$62,160, with a \$1 reduction for every \$3 earned above the threshold.

Once you reach FRA, the earnings test no longer applies, and withheld benefits are recalculated into future payments.

7. Qualifying for Benefits

To qualify for Social Security retirement benefits, you need at least 40 credits, typically earned over 10 years of work. In 2025, you'll earn one credit for every **\$1,810** in income, up from \$1,730 in 2024.

Workers can earn up to four credits annually by making at least \$7,240.

How These Changes Affect You

Social Security changes in 2025 aim to adapt to inflation and wage growth while improving service delivery. Whether you're receiving benefits, nearing retirement, or contributing as a worker, these updates provide an opportunity to review your financial plans for the new year. Here are some tips to make the most of these changes:

- **Review Your Benefits:** Check how the COLA and earnings test updates impact your retirement strategy.
- **Understand Tax Implications:** If you're a high earner, prepare for the updated income threshold for Social Security taxes.
- **Plan Appointments Early:** With most Social Security offices moving to appointment-only services, plan ahead for in-person visits.

The new year is here, staying informed ensures you're prepared to navigate these adjustments effectively. Let this be a year to take charge of your financial future!

Estimated Average Monthly Social Security Benefits Payable in January 2025

<i>Beneficiary</i>	Before 2.5% COLA	After 2.5% COLA
Retired Worker	\$1,927	\$1,976
Married couple, both receiving benefits	\$3,014	\$3,089
Survivor benefit, older spouse	\$1,788	\$1,832
Survivor benefits, widowed parent and two qualifying children	\$3,669	\$3,761
Worker receiving disability benefits	\$1,542	\$1,580
SSI maximum federal benefit, individual*	\$943	\$967
SSI maximum federal benefit, married couple*	\$1,415	\$1,450

* SSI beneficiaries should receive their first COLA-boosted payment Dec. 31, 2024. SSI benefits are typically paid on the first of the month, but Jan. 1 is a federal holiday.

Upcoming MO Medicare 101 Workshops

**St. Louis County Library
Thornhill Branch**

12863 Willowyck Dr.
St. Louis, Missouri 63146

- Jan. 14th at 6:00pm
- Feb. 18th at 3:30pm

**St. Louis County Library
Clark Family Branch**

1640 South Lindbergh Blvd.
St. Louis, MO 63131

- Jan. 23rd at 5:00pm
- Feb. 19th at 4:30pm

**St. Louis County Library
Daniel Boone Branch**

300 Clarkson Rd.
Ballwin, Missouri 63011

- Jan. 16th at 6:00pm

**St. Louis County Library
Grant's View Branch**

9700 Musick Rd.
St. Louis, MO 63123

- Jan. 30th at 6:00pm
- Feb. 13th at 6:00pm

**St. Louis County Library
Bridgeton Trails Branch**

3455 McKelvey Rd.
Bridgeton, MO 63044

- Jan. 27th at 4:30pm

**St. Louis County Library
Oak Bend Branch**

842 South Holmes Ave.
St. Louis, Missouri 63122

- Feb. 20th at 3:30pm

**St. Louis County Library
Mid-County Branch**

7821 Maryland Ave.
Clayton, Missouri 63105

- Feb. 25th at 3:30pm

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



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

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