AUGUST 2025 | VOL. XXXI

THE RETIREMENT REPORT

Monthly Medicare & Retirement Planning Newsletter

Smart Planning Starts Here: Insights to Strengthen Your Retirement Goals

By Anne DeLeon

As summer winds down and we head into the final stretch of the year, August is the perfect time to pause, regroup, and plan ahead. In this issue, we're bringing you timely updates and practical tips to help you stay informed and prepared for what's next.

We begin with a helpful guide to the Medicare Annual Enrollment Period (AEP), outlining what you need to know to make confident healthcare decisions this fall. Then, we break down the *One Big Beautiful Bill*, highlighting four key takeaways that could affect your financial planning.

With home insurance premiums on the rise, we've included smart strategies to help you save while keeping your coverage strong. And for a little fun, don't miss our August Sudoku puzzle — a great way to keep your mind sharp. Finally, be sure to check out our upcoming workshops, where you can learn more and connect with others in your community.

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Understanding the Medicare Annual Enrollment Period

The Medicare Annual Enrollment Period (AEP) takes place every year from October 15 to December 7. It's an important time for Medicare beneficiaries to review their current healthcare coverage and decide if any changes are needed. Any updates made during AEP 2025 will take effect on January 1, 2026. Let's walk through the options available during AEP and ensure your coverage is the right fit for the year ahead.

What Changes Can You Make During AEP?
The changes you can make depend on whether you have Original Medicare or a Medicare Advantage plan, and how well your current coverage meets your needs.

Switch from Original Medicare to a Medicare Advantage (Part C) Plan
Medicare Advantage (MA) plans are offered by private insurance companies approved by Medicare. These plans include all the benefits of Parts A and B, and many also offer extra services like dental, vision, hearing, and wellness programs.

Current Annuity Rates August 2025

5.38%

3 Year Fixed Annuity

5.75%

5 Year Fixed Annuity

To find out more,

contact me: 314-287-0179

Some MA plans also include prescription drug coverage (Part D). These are known as Medicare Advantage Prescription Drug (MAPD) plans. During AEP, you can enroll in either an MA or MAPD plan or stick with your current Original Medicare coverage if it still works for you.
Note: If you switch to a Medicare Advantage plan, you'll still need to pay your Part B premium.

Change from One Medicare Advantage Plan to Another
If you're already enrolled in a Medicare Advantage plan and find another option that better fits your needs, you can switch during AEP. This includes moving from a plan without drug coverage to one that includes it, or vice versa.

Add a Standalone Prescription Drug Plan to Original Medicare
If you're satisfied with Original Medicare but want to add prescription drug coverage, you can sign up for a standalone Prescription Drug Plan (PDP). These plans often offer lower deductibles, more predictable costs, and sometimes even no-cost options for certain medications.

Switch or Drop Your Prescription Drug Coverage
You can switch from one drug plan to another, or enroll in an MAPD plan that includes drug coverage. You also have the option to drop your drug coverage entirely. Just keep in mind that if you go without creditable drug coverage for 63 days or more, you may have to pay a late enrollment penalty.

Drop Medicare Advantage and Return to Original Medicare
If you're not happy with your Medicare Advantage plan and don't want to switch to another, you can return to Original Medicare during AEP.

Keep Your Current Coverage
If your current plan still meets your needs and will be available next year, you don't need to do anything.

Understanding the Medicare AEP cont'd...

What to Consider Before AEP
To make the best decision for your health and finances, take time to review your current and future needs:

Review Plan Documents
Check your Evidence of Coverage (EOC) and Annual Notice of Change (ANOC)—usually sent in October.

Reassess Health & Prescription Needs
Consider any changes in your health, medications, or provider preferences.

Compare Costs
Look at premiums, deductibles, copays, and coinsurance across plans.

Evaluate Extra Benefits
Medicare Advantage may offer dental, vision, hearing, and fitness perks—make sure they match your needs.

Check Provider Networks
Confirm your doctors and hospitals are in-network to avoid extra costs.

Review Drug Coverage
Ensure your prescriptions are covered and compare formularies for the best value.

What is the Medicare Annual Enrollment Period (AEP)? | Wellcare. (n.d.)

4 Key Takeaways from the One Big Beautiful Bill

A $6,000 bonus deduction for older adults is just one of several key changes. The reconciliation bill signed into law by President Donald Trump on July 4, just one day after narrowly passing Congress, extends the tax cuts from his first term and introduces dozens of new changes to the tax code. Here are four major provisions that could significantly affect older adults.

1. Income Tax Rates Stay the Same, but Deductions Get a Boost
The 2017 Tax Cuts and Jobs Act (TCJA) lowered five of the seven federal income tax brackets, including reducing the top rate from 39.6% to 37%. These cuts were originally set to expire at the end of 2025. However, the new law—referred to as the One Big Beautiful Bill —makes those rate reductions permanent.

It also locks in the larger standard deduction introduced in 2017 and increases it slightly for 2025:
- From $15,000 to $15,750 for individual filers
- From $30,000 to $31,500 for married couples filing jointly

2. A Bigger Deduction for Older Adults
Americans aged 65 and older already qualify for an additional standard deduction—$2,000 for single filers and $1,600 per qualifying spouse in a married couple. The new law adds a $6,000 bonus deduction for individuals 65 and older, available through the 2028 tax year.

Unlike the standard deduction, this bonus can be claimed whether or not you itemize your taxes. AARP supported the provision, noting that it could help offset taxes on Social Security benefits. "This delivers tax relief at a time when many older Americans are living on fixed incomes while facing rising costs," said Nancy LeaMond, AARP's chief advocacy and engagement officer, in a letter to Senate leaders.

Dollarhide, M. (2025, July 4). How the 'One Big Beautiful Bill' Could Change Your Taxes. AARP.

4 Key Takeaways from the New Tax Bill cont'd...

3. New Deduction for Car Loan Interest
Older Americans are taking out more auto loans than ever. In the first quarter of 2025 alone, adults aged 50 and older accounted for $66 billion in new vehicle loans—about 40% of all new auto financing, according to LendingTree.

The new law allows borrowers to deduct up to $10,000 in car loan interest over the next four tax years, with a few conditions:

- The vehicle must be assembled in the U.S.
- The deduction phases out for higher earners. For example, a single filer earning $120,000 would be eligible to deduct $6,000, as the deduction decreases by $200 for every $1,000 above the $100,000 income threshold ($200,000 for joint filers).

4. Higher SALT Deduction Cap for Some Taxpayers
The 2017 tax law capped the state and local tax (SALT) deduction at $10,000. The new law temporarily raises that cap to $40,000 for taxpayers with a modified adjusted gross income below $500,000. This change could offer meaningful savings for homeowners in high-tax areas. Older adults are more likely to benefit, as homeownership rates increase with age:

- 75.7% of adults aged 55–64 own their homes
- 79% of those 65 and older are homeowners (Source: Bankrate analysis of Census Bureau data)

The SALT deduction cap will increase by 1% each year until 2030, at which point it reverts to $10,000 under the current law.

Other Provisions That Could Indirectly Help Older Adults
While not directly affecting individual tax bills, several other provisions in the bill could have a positive impact on older Americans and their families:

Expanded Tax Credit for Paid Family Leave
The bill makes permanent the business tax credit for employers who offer paid family and medical leave, originally introduced in 2017. It also lowers the eligibility threshold, allowing employees to qualify after six months of service instead of one year. This change supports caregivers who are balancing work and caring for aging loved ones.

Increased Support for Affordable Housing
The law expands the Low-Income Housing Tax Credit, a federal program that encourages the development of affordable housing. It increases funding to states and makes it easier for developers to qualify.

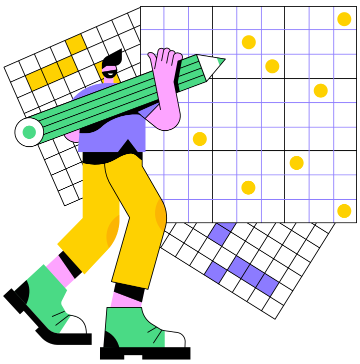
According to a May 2025 AARP survey, nearly 80% of adults aged 50 and older support tax incentives for affordable housing. With more older adults struggling to find safe, affordable places to live, this expansion is both timely and essential.

August Sudoku

August is National Wellness Month—a perfect time to care for your body and your brain! While you're focusing on healthy habits and self-care, take a moment to enjoy this fun little brain boost. Sudoku is a great way to keep your mind sharp, improve focus, and reduce stress. So grab a pencil, take a deep breath, and give your brain a wellness workout!

Sudoku Rules:

- Each row should have numbers 1-9, no repeats.
- Each column should have numbers 1-9, no repeats.
- Each 3×3 box should contain the numbers 1–9, with no repeats.



Answers on Pg. 8

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Home Insurance Prices Are Rising — Here's How to Save

Twelve years ago, Jim and Debbie McGuigan made their retirement dream a reality by moving from Orlando to an oceanfront condo in Cocoa Beach, Florida. But earlier this year, they packed up and moved inland. The reason? Insurance costs.

Premiums for their high-rise condo had tripled in recent years. On top of that, necessary repairs to maintain coverage caused their condo association fees to skyrocket—up 141% over the same period. The rising costs pushed the McGuigans to return to Central Florida, where they now save about $4,760 a year on insurance and fees.

"When we bought the condo, I never thought I'd move again," says Jim, 66. "But insurance and other things made the cost of living there too much." They're not alone. Millions of Americans are facing rising home insurance premiums and fewer options, as insurers pull out of high-risk areas or decline to renew policies.

Home Insurance Prices Are Rising cont'd

From 2021 to 2024, premiums rose an average of 24% nationwide and increased in 95% of ZIP codes, according to the Consumer Federation of America (CFA). Florida has the highest average annual premium at $9,462, but even noncoastal states like Arizona, Illinois, and Pennsylvania saw increases of 44% or more.

As a result, nearly 1 in 7 owner-occupied homes in the U.S. are now uninsured, according to LendingTree. And many who still have coverage are struggling: a Federal Reserve Bank of Dallas study found that mortgage delinquencies rise 8% in the year following a typical insurance price hike. Since mortgage and home equity lenders require insurance, skipping it isn't an option for most homeowners. But there are ways to reduce your costs. Start by reviewing your coverage, then shop around for better options.

1. Review Your Coverage
Raising your deductible is a common way to lower premiums, but it's also worth checking whether you're over insured. You may be able to adjust your policy's default limits to better reflect your actual needs. For example, you might reduce coverage for:

- Other structures (like fences or detached garages)
- Personal property (contents coverage)

But be cautious. "Dropping personal property coverage from 75% of your dwelling limit to 25% might only save you $100 a year," says Peter O'Keefe, an independent broker in San Francisco. "Do you really want to give up that much coverage to save less than $10 a month?"

2. Shop Around
According to NerdWallet, annual premiums can vary by $1,000 or more for the same coverage. You can:

- Visit insurer websites for quick quotes
- Use comparison tools like Insure.com, Policygenius, or The Zebra
- Check your state insurance department for rate comparison tools

If you receive a nonrenewal notice, start shopping immediately, some states only require 30 days' notice. Ask your insurer why your policy wasn't renewed and whether making specific improvements to your home could help you maintain or regain coverage.

3. Expand Your Search

- If traditional insurers aren't an option, consider:
- State-run insurers of last resort, like California's FAIR Plan or Louisiana Citizens
- Non-admitted carriers, which aren't licensed by the state but may still be approved by lenders

4. Ask About Discounts

- You may qualify for discounts based on:
- Retirement status (some insurers offer up to 10% off)
- Occupation (military, credit union members, or professional associations)
- Paperless billing or automatic payments
- Living in a gated community

Home Insurance Prices Are Rising cont'd...

5. Strengthen Your Home
Upgrades that reduce risk can lower your premium and expand your coverage options. These include:

- Storm shutters
- Fire-resistant or reinforced roofs
- Security systems (which can save 2–15%, or about $100/year)

Some states offer financial assistance to help homeowners make property upgrades that improve resilience. For example, Alabama provides up to $10,000 for roof fortification in certain counties. Before making improvements, it's important to check with your insurance provider to ensure the upgrades meet their criteria for discounts or incentives.

6. Improve Your Credit Score
In most states, insurers can use your credit score to set rates or decide whether to renew your policy. Homeowners with poor credit may pay up to 102% more than those with good credit, according to Policygenius. To improve your score:

- Pay bills on time
- Reduce credit card balances
- Check your credit report for errors

7. Think Carefully Before Dropping Coverage
Skipping supplemental coverage like flood or earthquake insurance—or dropping home insurance entirely—might save money short-term, but it puts your biggest asset at risk. "If something goes wrong, it's entirely on you," says Dale Porfilio of the Insurance Information Institute. If you have a mortgage and drop coverage, your lender will impose force-placed insurance, which is usually more expensive and only protects the lender's interest, not yours.

8. Consider Changing Your Situation
If rising insurance costs are stretching your budget to the point where you're cutting back on essentials, relying on credit, or dipping into savings, it may be time to reassess your living situation. "You may no longer be able to afford to live where you do," says Sheryl Hanshaw, director of the Greenville Financial Empowerment Center in South Carolina.

Start by contacting your mortgage lender. According to Bruce McClary of the nonprofit National Foundation for Credit Counseling (NFCC), your lender may be able to temporarily lower your monthly payments. Keep in mind, though, that this often results in higher interest and fees over time.

If that's not an option, consider selling your home and moving to an area with lower insurance costs. But before making a move, think carefully about the financial trade-offs and what you might be giving up—such as proximity to family, friends, or your support network.

Renzulli, K. A. (2025, July 7). Home insurance prices are rising. Here's how to save. AARP.

UPCOMING MO MEDICARE 101 WORKSHOPS

St. Louis County Library – Thornhill Branch 12863 Willowyck Dr. St. Louis, MO 63146	**Monday August 18th 6:00pm**
St. Louis County Library – Clark Family Branch 1640 S Lindbergh Blvd. St. Louis, MO 63131	**Tuesday August 19th 6:00pm**
St. Louis County Library - Grant's View Branch 9700 Musick Ave. St. Louis, MO 63123	**Wednesday August 20th 6:00pm**
St. Louis County Library – Oak Bend Branch 842 South Holmes Ave. St. Louis, MO, 63122	**Monday August 25th 6:00pm**
St. Louis County Library- Bridgeton Trails Branch 3455 McKelvey Rd. Bridgeton, MO, 63044	**Saturday August 23rd 10:00am**
St. Louis County Library - Daniel Boone Branch 300 Clarkson Rd. Ballwin, MO 63011	**Tuesday August 26th 6:00pm**

MO MEDICARE 101

Space is Limited! **Register Today:**
usamedicare101.org/adl

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

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