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de Leon
RETIREMENT SERVICES, LLC

THE RETIREMENT REPORT

Monthly Medicare & Retirement Planning Newsletter

Your Sunny-Season Medicare Heads-Up

By Anne de Leon

Summer may still be in full swing, but Medicare's most important stretch of the year is already on the horizon. The Annual Enrollment Period — your once-a-year window to review and change your coverage — opens October 15, and a little preparation now can save you real money and headaches later. This issue is all about helping you get ready before the season arrives.

Inside, we break down exactly what you can (and can't) change during the fall enrollment window, and clear up the common mix-up between the Annual Enrollment Period and the Medicare Advantage Open Enrollment Period. We answer the questions we hear most often, look at whether you even need to renew your plan each year, and share strategies for drawing down your retirement savings.

We also explore how far Social Security stretches from one state to the next. And since it's still summer, we've tucked in a seasonal word search to enjoy on a warm afternoon. Grab a glass of lemonade and dig in.

In This Issue:

Your 2026 Medicare Annual Enrollment Period Guide

Every fall, Medicare gives beneficiaries a window to take stock of their coverage and make changes for the year ahead. It's easy to let that window slip by, but a little attention during this period can mean lower costs, better drug coverage, or a plan that simply fits your life better. Here's a straightforward look at how the Annual Enrollment Period works, what you can change, and the deadlines you don't want to miss.

What is the Annual Enrollment Period?
The Medicare Annual Enrollment Period (AEP) — also called the Annual Election Period or the Medicare Open Enrollment Period — runs each year from October 15 - December 7. During this window, beneficiaries can adjust their Medicare coverage, and any changes they make take effect on January 1 of the following year.

There's a helpful head start built into the calendar. On October 1, about two weeks before the window opens, insurers release their plan details for the coming year, including any changes to premiums or prescription drug benefits. That's a good moment to review whether your current plan still meets your needs — and if it doesn't, the AEP is your chance to find something better. Unlike switching a Medicare Supplement (Medigap) plan, these changes don't require any review of your medical history.

AEP versus the Medicare Advantage Open Enrollment Period
The term "Open Enrollment" gets used loosely, which causes some confusion. It often refers to the fall AEP described above, but there's also a separate Medicare Advantage Open Enrollment Period (MA OEP) that runs from January 1 through March 31.

The MA OEP is narrower in every sense. It applies only to people already enrolled in a Medicare Advantage plan, it allows just one plan change during the window, and your options are limited. The fall AEP, by contrast, is far more flexible: you can revisit your decisions as many times as you like before the deadline, and you have the full range of choices available.

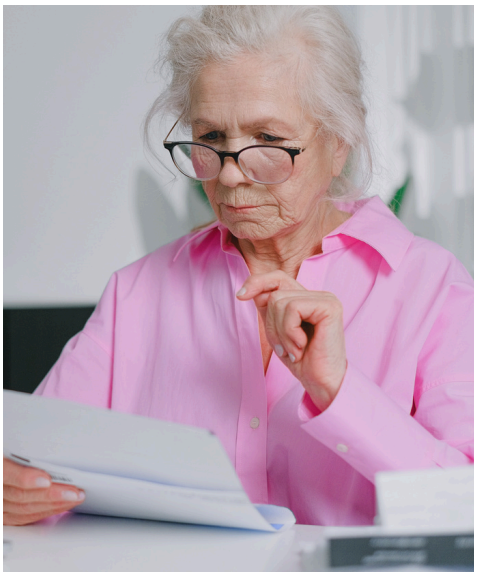
What you can change during the AEP
During the Annual Enrollment Period, you can make changes to Medicare Advantage plans, Cost plans, and Part D prescription drug plans. Specifically, you can:

- Drop a Medicare Advantage plan and return to Original Medicare
- Move from Original Medicare to a Medicare Advantage plan
- Switch from one Medicare Advantage plan to another
- Choose a new Part D prescription drug plan
- Add a Part D plan if you don't already have one
- Cancel your current Part D plan

One caution on that last point: if you drop Part D and go without creditable prescription drug coverage, then decide to re-enroll in a later year, you may face a late-enrollment penalty. "Creditable" simply means the coverage is at least as good as standard Medicare drug coverage, such as drug benefits through an employer or union plan. The penalty is based on how long you went without it, and once it applies, it's usually added to your premium for as long as you have Part D. That's why many people keep some form of drug coverage even if they aren't taking many medications right now. Note, too, that the AEP doesn't offer any special flexibility for Medigap plans — the usual year-round rules for changing a Supplement plan still apply.

Source: HealthPartners (2026). Medicare annual enrollment period (AEP) guide. HealthPartners.

Your 2026 Medicare cont'd...



What you can change during the MA OEP
If you're working within the Medicare Advantage Open Enrollment Period (January 1 through March 31), your options are limited to your existing Medicare Advantage plan. You can switch to a different Medicare Advantage plan, or drop it and return to Original Medicare. You can also add a standalone Part D plan — but only if you've dropped your Medicare Advantage plan and have gone back to Original Medicare.

How to actually make the switch
The process is simpler than it sounds. During the AEP, you enroll in your new plan by contacting the insurer, working with a local insurance broker, or signing up online where that's available. You're automatically disenrolled from your old plan on December 31, and your new coverage begins January 1.

During the MA OEP, the steps are similar, with one difference: after enrolling in your new plan, you'll need to contact your current plan to find out how to disenroll. Your new coverage then starts on the first day of the following month — so if you enroll on February 18, your coverage begins March 1. To switch to Original Medicare, contact your current plan administrator or visit medicare.gov.

What if you miss the window?
If the deadline passes and you haven't made a change, you'll generally keep your current plan until the next enrollment period. There is one important exception: you may still be able to make changes if you qualify for a Special Enrollment Period, which is triggered by certain life events — for example, losing health coverage through your own or a spouse's employer. Without a qualifying event, though, you'll need to wait for the next enrollment window.

How to prepare before the window opens
A little preparation makes the whole process easier. When your plan's Annual Notice of Change arrives in the fall, read it closely for any adjustments to premiums, drug coverage, or benefits for the coming year. It's also worth jotting down the medications you take regularly, so you can check whether they're still covered under a plan you're considering. Confirm that your preferred doctors and pharmacies are still in-network, since networks can shift from year to year. Finally, when comparing plans, look at the full yearly picture — premiums, deductibles, and typical out-of-pocket costs together — rather than the monthly premium alone, since the lowest premium isn't always the lowest overall cost.

The bottom line
The Annual Enrollment Period exists for a reason: plans change from year to year, and so do your needs. Even if you're happy with your current coverage, it's worth taking a few minutes each fall to compare it against next year's options — especially once insurers publish their updates on October 1. Mark October 15 through December 7 on your calendar, review your plan with fresh eyes, and you'll head into the new year knowing your coverage still fits.

AEP: Frequently Asked Questions

What's the difference between Original Medicare and Medicare Advantage?
Original Medicare (Parts A and B) is run by the government and lets you see any provider nationwide that accepts Medicare, with optional standalone drug and Medigap plans. Medicare Advantage (Part C) comes from private insurers and usually bundles drug coverage and extras like dental or vision, but typically uses a provider network.

Can I enroll in Medicare for the first time during the AEP?
No. First-time sign-up happens during your Initial Enrollment Period — the seven-month window that begins three months before the month you turn 65 and ends three months after.

What if I'm still working and have coverage through my job?
If you have coverage through your own or a spouse's current employer, you may be able to delay parts of Medicare without a penalty and sign up later through a Special Enrollment Period.

Does it cost anything to switch plans?
There's no fee to change plans during the AEP, but a new plan may have different premiums or copays — so compare the full yearly cost before switching.

Will my current doctors accept my new plan?
It depends. Medicare Advantage plans often use provider networks, so confirm your doctors and hospitals are in-network before switching. With Original Medicare, you can see any provider that accepts Medicare.

Where can I get unbiased help comparing plans?
Use the official Medicare Plan Finder at medicare.gov/plan-compare, call 1-800-MEDICARE (available 24/7), or contact your State Health Insurance Assistance Program (SHIP) for free counseling.

What's the difference between Medicare and Medicaid?
Medicare is federal coverage based mainly on age or disability, while Medicaid is a state-and-federal program based on income. Some people qualify for both.

Are there Medicare Advantage plans designed for specific health needs?
Yes. Special Needs Plans (SNPs) are a type of Medicare Advantage plan built for people with certain chronic conditions, those living in a nursing home, or those who also qualify for Medicaid.

Does my coverage work when I travel?
Original Medicare works anywhere in the U.S. that accepts Medicare. Medicare Advantage plans are usually built around local networks, so away-from-home coverage may be limited to emergencies — worth checking if you travel often.

Is there help available if I'm struggling to afford Medicare costs?
Possibly. Programs like Medicare Savings Programs and Extra Help can lower premiums or prescription costs for people who qualify based on income — it's worth looking into if costs are a concern.

Wellcare (2026). What is the Medicare annual enrollment period? Wellcare. Additional general Medicare information from medicare.gov.

Where Social Security Stretches the Furthest

For most people, Social Security is the steadiest part of a retirement income plan — a check that arrives every month, no matter what the markets are doing. But it was never meant to do all the heavy lifting. On average, retirement benefits replace only about 40% of what someone earned while working, a little more for lower-wage careers and less for higher earners. How far that check actually goes depends a great deal on one thing many people overlook until they're close to retiring: where they live.

Why Social Security still matters so much

Even at roughly 40% of prior income, Social Security remains a financial cornerstone for millions of older Americans. According to the Social Security Administration, 42% of women and 37% of men age 65 and older rely on it for at least half of their total income.

That makes it worth understanding how your benefit compares with what it costs to live where you are. It's one of the more useful numbers to have on hand when you're deciding when to claim — and when you're figuring out how much you'll need to draw from savings, a pension, or part-time work to cover everything else.

Costs — and benefits — vary widely by state

The price of daily life swings dramatically depending on where you settle. Retiring in a large, high-cost city looks very different, financially, from retiring in a smaller town where housing and everyday expenses run lower. Benefits differ by geography too, since they're based largely on lifetime earnings. As of December 2024, the average monthly retirement benefit ranged from about $1,814 in Mississippi to $2,196 in Connecticut, according to the most recent SSA figures. As a general rule, Social Security goes furthest in places where living costs are relatively low but past incomes — and therefore benefits — are relatively high.

Where benefits went furthest in 2025

To gauge how far benefits stretch, cost of living was measured using the Elder Index, a tool from the Gerontology Institute at the University of Massachusetts Boston that estimates what older adults need to cover the basics: housing, health care, food, transportation, and everyday essentials. The index doesn't account for extras like dining out, travel, or entertainment, and it leaves out state income and sales taxes.

By that measure, benefits went the furthest in 2025 for retirees in Indiana, West Virginia, Alabama, and Michigan. In Indiana, the average monthly benefit of $2,034 covered about 87.2% of basic expenses — the strongest ratio in the country. At the other end, benefits stretched the least in Washington, D.C., where they covered roughly 58.9%.

A reality worth planning around

There's a sobering catch in the numbers, though. For retirees who rent or are still paying off a mortgage, there is no state where the average Social Security check fully covers basic living costs. Rising housing prices were the main reason costs climbed in 2025, and they remain the single biggest variable separating a comfortable retirement from a tight one.

The bottom line

A benefit amount by itself rarely tells the whole story. Where you live, whether your home is paid off, your health, and your other sources of income all shape how far that monthly payment really goes — and two people with identical checks can end up in very different financial situations depending on their zip code. The smartest move you can make is to run those numbers for your own circumstances well before you retire.

Current Annuity Rates

August 2026

6.45%

3 Year Fixed Annuity

6.00%

5 Year Fixed Annuity

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

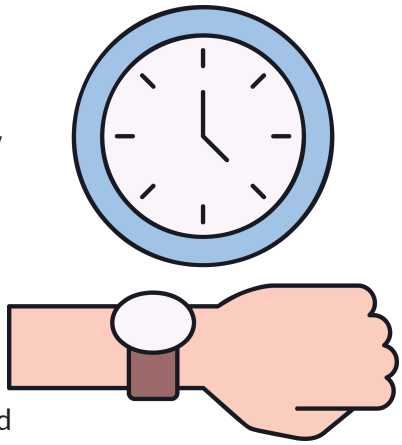
Source: Markowitz, A., & Shesgreen, D. (2026). The 10 states where Social Security goes the furthest. AARP.

Smart Ways to Tap Your Retirement Savings

After decades of building up your retirement savings, retirement flips the script: the job now is turning those accounts into steady income. How and when you take money out can make a real difference — both in how long your savings last and in how much you hand over in taxes along the way. Here's a straightforward look at several widely used approaches.

Start with your required minimum distributions
At a certain age, the government requires you to begin withdrawing a minimum amount each year from most traditional retirement accounts, whether you need the money or not. These required minimum distributions (RMDs) generally begin at age 73 for people born between 1951 and 1959, and at age 75 for those born in 1960 or later. Your first withdrawal is usually due by April 1 of the year after you reach that age.

It's worth staying on top of these, since missing one can trigger a penalty — though recent legislation softened that penalty compared with the past. One helpful change: Roth 401(k) and Roth 403(b) accounts are no longer subject to RMDs at all.



Pay attention to timing
Because most withdrawals from tax-deferred accounts count as taxable income, when you take money out matters. Some retirees find it helps to draw a bit more during lower-income years — for example, in the early years of retirement, before RMDs and other income sources kick in — and less during higher-income years. Spreading withdrawals out thoughtfully can help keep more of your savings in your pocket.

Consider Roth conversions
Converting money from a traditional account into a Roth means paying tax on that amount now, but qualified withdrawals down the road are tax-free, and Roth accounts don't carry RMDs. Handled strategically — often during those lower-income years — a conversion can trim your future tax bill and shrink the required withdrawals waiting for you later.

Coordinate across your accounts
Many retirees hold a mix of account types: taxable, tax-deferred, and tax-free Roth. Giving a little thought to the order you draw from them can help balance your tax burden over time, so no single account grows so large that future required withdrawals push you into a higher bracket. This is one area where the details get personal, so it's a good topic to walk through with a professional.

Give tax-efficiently, if you're charitably inclined
For retirees who support charitable causes, a qualified charitable distribution (QCD) can be one of the most tax-friendly moves available. People age 70½ and older can transfer money directly from an IRA to a qualified charity — a way to support a cause you care about while keeping that amount out of your taxable income.

Think about what you leave behind
Withdrawal choices don't just affect you. Under current rules, most people who inherit a traditional IRA must empty it within 10 years, which can push heirs into higher tax brackets during those years. Roth IRAs and regular brokerage accounts often make gentler inheritances, which is one reason some retirees prioritize drawing down their pretax accounts over time.

Source: U.S. News & World Report (2026). Retirement account withdrawal strategies. U.S. News & World Report.

Smart Ways cont'd...

Conclusion

There's no single "right" way to withdraw from your retirement savings — the best approach depends on your income, your tax situation, your health, and what you want your money to do. The value of thinking it through ahead of time is simple: a little planning can help your savings stretch further and reduce what you owe in taxes over the years. Because everyone's situation is different, this is general information rather than personal advice, and it's worth reviewing your own plan with a qualified financial or tax professional before making changes.

Summer Word Search

I	L	S	U	W	L	E	M	O	N	A	D	E	Z	L
V	L	L	E	H	S	A	E	S	M	I	E	T	W	G
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FIND THESE 18 SUMMER WORDS:

BEACH
BUTTERFLY
FIREFLY
HAMMOCK
HARVEST
LEMONADE
MEADOW
PEACHES
PICNIC
POPSICLE
SEASHELL
SUMMER
SUNFLOWER
SUNSET
SUNSHINE
SWIMMING
VACATION
WATERMELON

Answers on page 8

UPCOMING MO MEDICARE 101 WORKSHOPS

St. Louis County Library – Grant's View Branch 9700 Musick Ave. St. Louis, Missouri 63123	**Monday** **Aug. 17th** **6:00pm**
St. Louis County Library – Bridgeton Trails Branch 3455 McKelvey Rd. Bridgeton, MO 63044	**Thursday** **Aug. 20th** **6:00pm**
St. Louis County Library – Oak Bend Branch 842 South Holmes Ave. St. Louis, Missouri 63122	**Saturday** **Aug. 22nd** **10:00am**
St. Louis County Library – Clark Family Branch 1640 South Lindbergh Blvd. St. Louis, MO, 63131	**Monday** **Aug. 24th** **6:00pm**

Space is Limited!
Register Today:
usamedicare101.org/ADL

MO MEDICARE 101

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

I	L	S	U	W	L	E	M	O	N	A	D	E	Z	L
V	L	L	E	H	S	A	E	S	M	I	E	T	W	G
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