

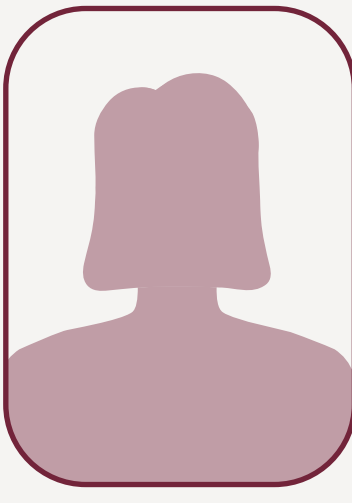
You're eligible for Medicare. Now what?

Turning 65 is a more exciting birthday than you may think. That's because you become eligible for health care coverage through Medicare and federal income benefits for retirement from Social Security. However, deciding when and how to start Medicare coverage or start drawing Social Security depends on your unique situation.

The decisions you make today can help serve you and your family for many years to come. Consider speaking to a financial advisor about your questions and your next steps.

Let's take a look at Susie and her husband, Joe, and walk through their decisions on whether to enroll in Medicare and start drawing their Social Security benefits.

Susie

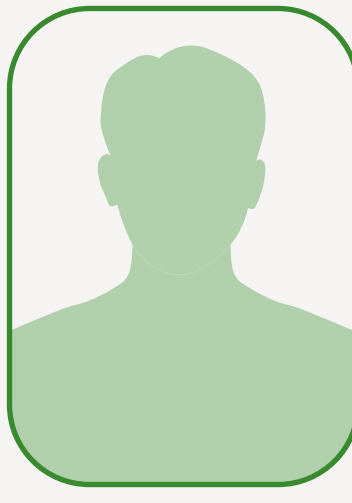


Age: 64
Employment: Full-time
Insurance: Employer
Health issues: Cancer survivor
Medicare eligibility: Age 65

SUSIE'S QUESTIONS:

- Will my prescriptions be covered under Medicare?
- What if my cancer returns?
- Aren't supplemental plans better?
- Will I regret my decision?
- Can I afford to retire?

Joe



Age: 67
Employment: Part-time
Insurance: Susie's employer
Health issues: Cardiovascular disease, diabetes
Medicare eligibility: Currently eligible


JOE'S QUESTIONS:

- Will my prescriptions be covered under Medicare?
- Aren't employer coverage plans better than Medicare?
- Should I delay Social Security?


Medicare:

Should Susie and Joe sign up for Medicare when Susie turns 65, or should they remain on Susie's employer's plan?

Susie doesn't have to sign up for Medicare just because she's turning 65.



If she continues to work and is happy with her employer's health coverage, she can delay Medicare enrollment and avoid a late signup penalty.



If she's not happy with her group plan, she can keep working and get health coverage through Medicare at the same time.

Social Security:

Should Susie claim Social Security now or later?

The longer Susie waits to receive Social Security, the more she benefits.

75%


Susie could have signed up for Social Security at age 62 but would have only received 75% of her payout.

100%


Susie can get 100% Social Security when she's 66 years and 6 months.

125%

If Susie waits until age 70 to collect Social Security, she will receive 125% for life. Since Susie is still working, she'll continue to accrue benefits until age 70. Filing for benefits at 65 will mean reducing Social Security benefits in the process – for life.



If Susie's health is forcing her to cut down to part-time hours, then she may need her Social Security benefits to supplement her income.



If Susie is still working full-time and isn't happy with what she's saved for retirement, she may want to wait until full retirement age (or beyond) to claim Social Security. A higher monthly benefit could help compensate for having less savings than she'd like.