

ParsecFinancial

# **Hi, I'm New Here ... Avoiding Medicare Mistakes for First- Time Medicare Enrollees**

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Hello  
my name is

***Medicare***  
***1st Timer***



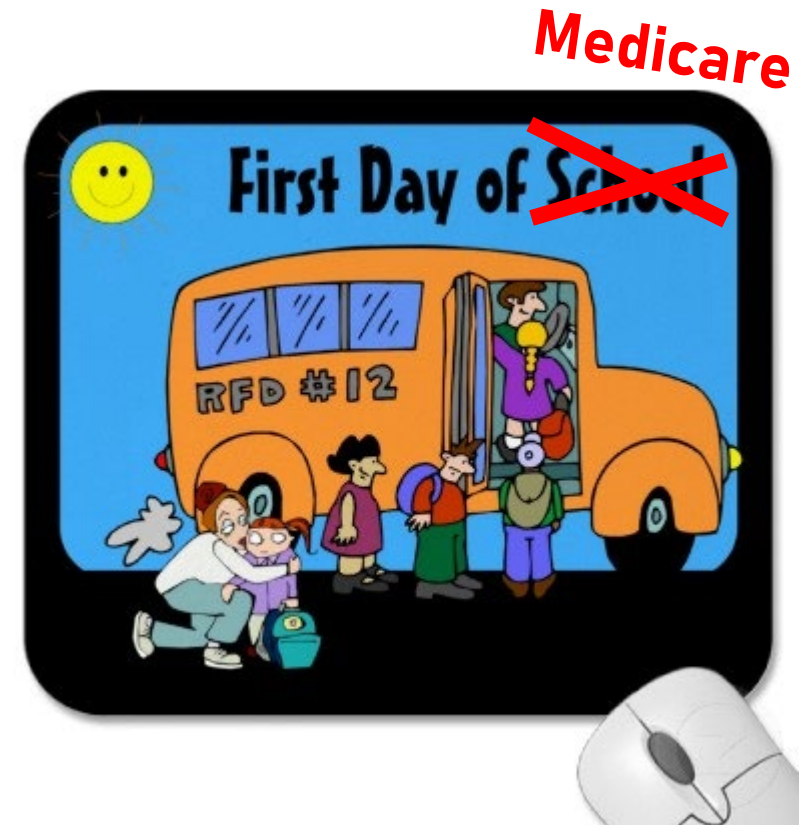
**FEAR**



**FAKE SMILE**

# Objectives

1. IEP vs. SEP vs. Open Enrollment
2. Who or what is IRMAA?
3. Traveling: Are you cruising for trouble?
4. How to spot a Medicare Scam





# Initial Enrollment Period



Your Initial Enrollment Period (IEP) is the **7-month period** that:  
**begins** three months before the month you turn 65, and  
**ends** three calendar months after the month you turn 65.

# Initial Enrollment Period

But, what if I...

- Already claimed Social Security?
  - ☒ You will be enrolled automatically when you turn 65
- Have a disability?
  - ☒ You will be enrolled automatically after you receive disability benefits from Social Security for 24 months
- Am still working?
  - ☐ It's complicated...



# Initial Enrollment Period

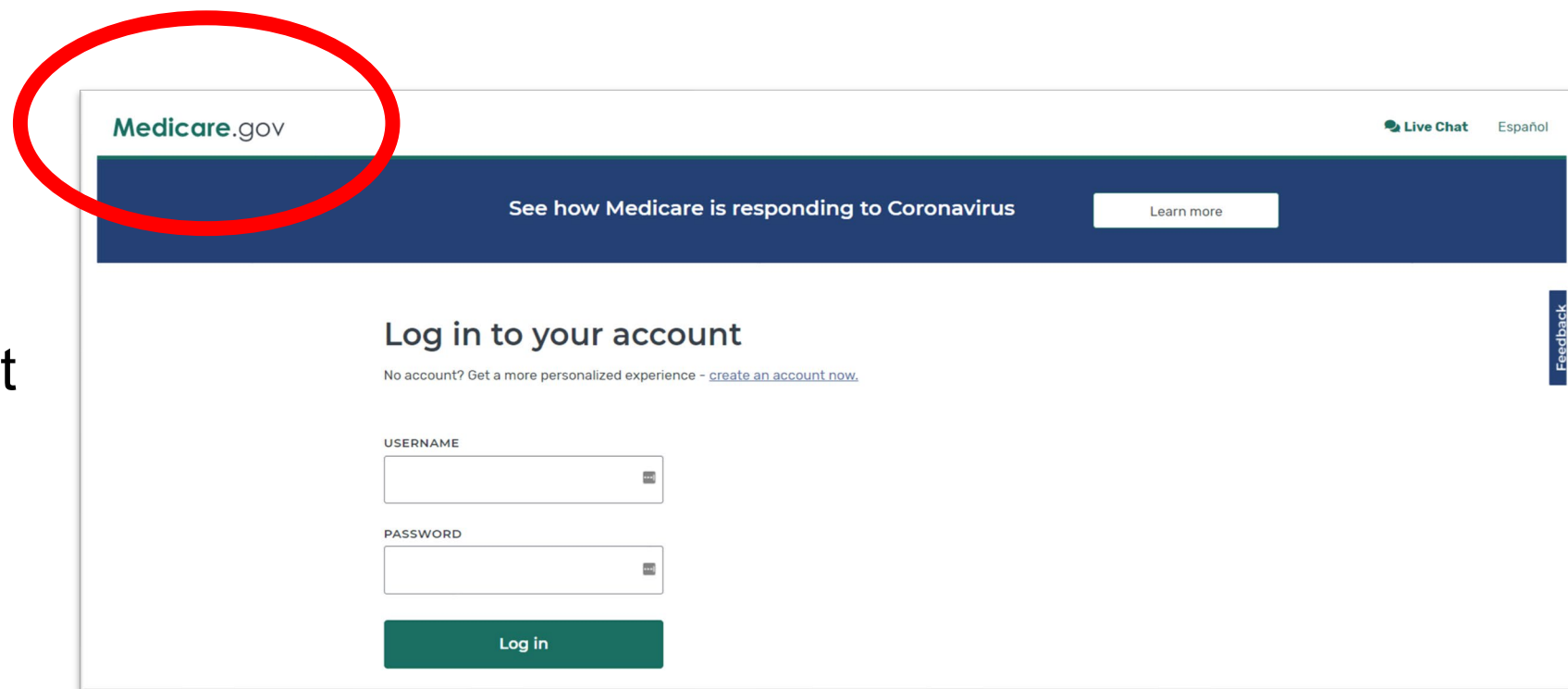
I'm still working...

- If you do not have group health insurance
  - ✅ Enroll in Medicare during your Initial Enrollment Period
- If you do have group health insurance, it's still complicated...

If your employer has...	
Less than 20 employees	More than 20 employees
✅ In most cases you must still enroll during the normal 7-month window around your 65 <sup>th</sup> birthday.	✅ You will likely need to enroll during a Special Enrollment Period (SEP), which is an 8-month window that begins the month after you stop working or your group health coverage ends.

# How do I know if I'm enrolled?

You can create an account and check at the **only** official Medicare site.



The image shows a screenshot of the Medicare.gov website. A red circle highlights the "Medicare.gov" logo in the top left corner. The page features a dark blue header with the text "See how Medicare is responding to Coronavirus" and a "Learn more" button. Below the header, the main content area is white and contains the heading "Log in to your account". Underneath this heading is a link that says "No account? Get a more personalized experience - [create an account now.](#)". There are two input fields: "USERNAME" and "PASSWORD", each with a small icon on the right side. Below these fields is a green "Log in" button. In the top right corner, there are links for "Live Chat" and "Español". A vertical "Feedback" button is located on the right side of the page.

# Oops, I forgot. Now what?

- If you don't enroll in Part B when you're first eligible, your premium may go up 10% for each 12-month period you could have had Part B
- If you don't obtain Part D or another prescription drug coverage within three months of the expiration of your IEP or SEP, you will pay an additional 1% of the national base beneficiary premium for each month you went without coverage

	Your IEP or SEP ended in January 2023...	... but you didn't enroll until March 2024	Your penalty is ...
Part B Premium	\$164.90/month	\$181.40/month	10% extra for one 12-month period without coverage
Part D Premium	\$33.37/month	\$37.04/month	11% extra for 11 months without coverage

## IEP/SEP Do's & Don't

- ☑ Know when your IEP begins and ends
- ☑ If you're still working, know whether the IEP or SEP applies to you
- ☑ Confirm your enrollment at [medicare.gov](https://www.medicare.gov)
- ✗ Don't pay the penalty!

# IRMAA, not Irma

**Irma:** is a girl's **name** of German origin **meaning** "universal, complete." A top-200 choice in the U.S. from the late 1880s to the early 1930s, the name has since fallen out of favor

*Source: Nameberry.com*

## **IRMAA:** Income Related Monthly Adjustment Amounts

If your **modified adjusted gross income is above a certain amount, you may pay an Income Related Monthly Adjustment Amount (IRMAA)**. Medicare uses the modified adjusted gross income reported on your **IRS tax return from 2 years ago**. This is the most recent tax return information provided to Social Security by the IRS.

*Source: Medicare.gov*



# Adjusted Gross Income (AGI)

<b>Standard Deduction for—</b> <ul style="list-style-type: none"> <li>• Single or Married filing separately, \$12,200</li> <li>• Married filing jointly or Qualifying widow(er), \$24,400</li> <li>• Head of household, \$18,350</li> <li>• If you checked any box under <i>Standard Deduction</i>, see instructions.</li> </ul>		<b>1</b> Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . .	<b>1</b>	
<b>2a</b> Tax-exempt interest . . . . .	<b>2a</b>	<b>b</b> Taxable interest. Attach Sch. B if required	<b>2b</b>	
<b>3a</b> Qualified dividends . . . . .	<b>3a</b>	<b>b</b> Ordinary dividends. Attach Sch. B if required	<b>3b</b>	
<b>4a</b> IRA distributions . . . . .	<b>4a</b>	<b>b</b> Taxable amount . . . . .	<b>4b</b>	
<b>c</b> Pensions and annuities . . . . .	<b>4c</b>	<b>d</b> Taxable amount . . . . .	<b>4d</b>	
<b>5a</b> Social security benefits . . . . .	<b>5a</b>	<b>b</b> Taxable amount . . . . .	<b>5b</b>	
<b>6</b> Capital gain or (loss). Attach Schedule D if required. If not required, check here . . . . . <input type="checkbox"/>		<b>6</b>		
<b>7a</b> Other income from Schedule 1, line 9 . . . . .		<b>7a</b>		
<b>b</b> Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your <b>total income</b> . . . . .		<b>7b</b>		
<b>8a</b> Adjustments to income from Schedule 1, line 22 . . . . .		<b>8a</b>		
<b>b</b> Subtract line 8a from line 7b. This is your <b>adjusted gross income</b> . . . . .		<b>8b</b>		
<b>9</b> <b>Standard deduction or itemized deductions</b> (from Schedule A) . . . . .		<b>9</b>		
<b>10</b> Qualified business income deduction. Attach Form 8995 or Form 8995-A . . . . .		<b>10</b>		
<b>11a</b> Add lines 9 and 10 . . . . .		<b>11a</b>		
<b>b</b> <b>Taxable income.</b> Subtract line 11a from line 8b. If zero or less, enter -0- . . . . .		<b>11b</b>		

# AGI vs. MAGI

## Adjusted Gross Income

1. Wages
2. **Interest**
3. **Dividends**
4. **IRA Distributions**
5. Pensions & Annuities
6. Social Security
7. **Capital Gains**
8. Other (usually Business or Rental Income)

## **Modified** Adjusted Gross Income

1. Wages
2. **Interest + Tax Free Interest**
3. **Dividends**
4. **IRA Distributions**
5. Pensions & Annuities
6. Social Security
7. **Capital Gains**
8. Other (usually Business or Rental Income)



# Actions You Control that Drive IRMAA

**Buying fixed income investments** in your brokerage account can result in **Interest**

**Buying equity investments** in your brokerage account can result in **Dividends**

**Selling investments** in your brokerage account can result in **Capital Gains**

**Roth conversions** and **Required Minimum Distributions\*** will increase **IRA distributions**

\*RMDs are mandatory beginning at age 72, so you don't *technically* control them, however, you can influence their impact by using Roth Conversions and Qualified Charitable Distributions after age 70½.

# IRMAA Brackets

If your MAGI in 2021 was...		Your Part B Premium in 2023 will be...	Over the course of 12 months, that and extra...
Single	Married Filing Jointly		
\$97,000 or less	\$194,000 or less	\$164.90	\$0.00
above \$97,000 up to \$123,000	above \$194,000 up to \$246,000	\$230.80	\$790.80
above \$123,000 up to \$153,000	above \$246,000 up to \$306,000	\$329.70	\$1,977.60
above \$153,000 up to \$183,000	above \$306,000 up to \$366,000	\$428.60	\$3,164.40
above \$183,000 and up to \$500,000	above \$366,000 and up to \$750,000	\$527.50	\$4,351.20
\$500,000 or above	\$750,000 and above	\$560.50	\$4,747.20

x2 for a married couple!



# Appealing IRMAA Determination

**You may** file an appeal to an IRMAA determination due to inaccurate or out-of-date tax information or life-changing event.

## **Seven** Life Changing Events (for IRMAA purposes)

1. Death of spouse
2. Marriage
3. Divorce or annulment
4. Work reduction
5. Work stoppage
6. Loss of income from income producing property
7. Loss or reduction of certain kinds of pension income



## IRMAA Do's & Don'ts

- ✅ Review your tax return on an annual basis
- ✅ Keep IRMAA in mind when making investment and planning decisions
- ✅ Appeal your IRMAA determination if appropriate by contacting SSA
- ❌ Don't pay additional for Medicare if you don't have to

**Medicare *usually***  
**DOES NOT**  
**cover health care**  
(including prescription drugs)  
**while you're traveling**  
**outside the U.S.\***

\*Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands are considered part of the U.S.

# Except when...

Medicare may pay for [inpatient hospital](#), [doctor](#), [ambulance services](#), or [dialysis](#) you get in a foreign country in these rare cases:

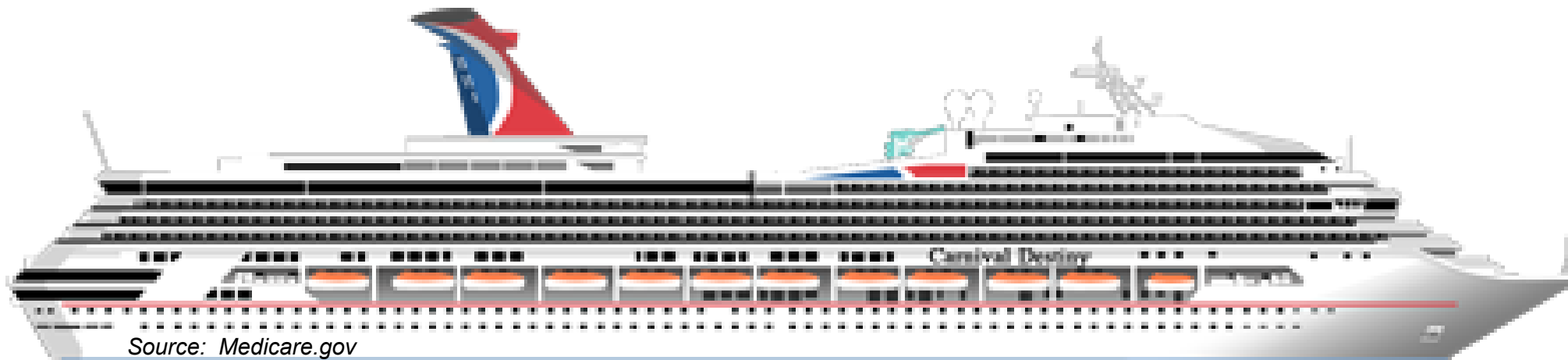
1. You're in the U.S. when a medical emergency occurs that requires immediate medical attention to prevent a disability or death, and the foreign hospital is closer than the nearest U.S. hospital that can treat your medical condition.
2. **You're traveling through Canada** without unreasonable delay by the **most direct route between Alaska and another state** when a **medical emergency occurs**, and the **Canadian hospital is closer than the nearest U.S. hospital that can treat the emergency**.
3. You live in the U.S. and **the foreign hospital is closer to your home than the nearest U.S. hospital that can treat your medical condition**, regardless of whether an emergency exists.



## ...and when...

In some cases, Medicare may cover medically necessary health care services you get on board a ship within the territorial waters adjoining the land areas of the U.S.

Medicare won't pay for health care services you get when a ship is more than 6 hours away from a U.S. port.



Source: Medicare.gov



## Travel Do's & Don'ts

- ☑ Plan your international travel carefully
- ☑ Purchase travel insurance
- ☑ Bring enough prescriptions
- ✗ Don't go cruising for trouble!

# Spotting Medicare Scams

**Medicare funding: roughly \$600 Billion**

**Cost of fraud and scams: \$60 Billion\***

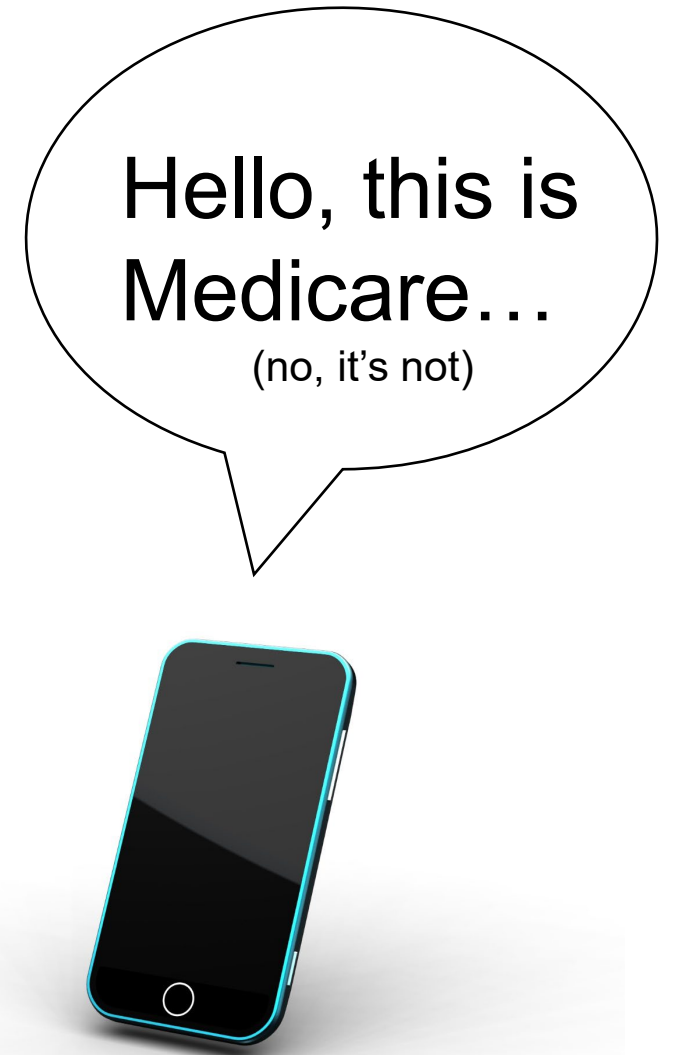
\*according to government estimates



# Medicare Scams

**Scam:** A person shows up at your door, calls or emails you to tell you Medicare is issuing new cards. To get yours, you must provide identifying information like your Medicare number.

**Spot it:** Medicare employees don't contact participants via unsolicited calls, visits or emails.



# Medicare Scams

**Scam:** Someone contacts you claiming that you're entitled to a refund because of changes to your coverage, lawsuits or other actions. They just need your Medicare number and bank account information for a direct deposit.

**Spot it:** If your entitled to a refund, a check will be sent directly to you. You don't need to prove anything.

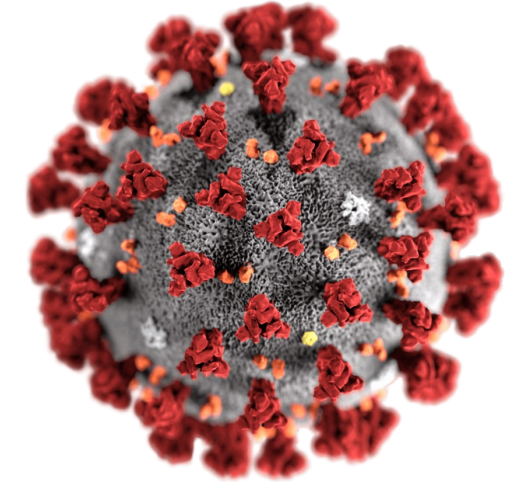


# Medicare Scams

**Scam:** You get a call offering you free medical supplies or a health checkup. The caller may even know something about your medical condition. Or you're invited to go somewhere for a complimentary checkup.

**Spot it:** Unsolicited calls promising “free” supplies are likely a scam to obtain your Medicare number or credit card information.





# Medicare COVID-19 Scams

*Examples of Medicare scams leveraging the pandemic:*

- **Scam:** Con artists were telling Medicare beneficiaries that they were eligible for “COVID Wellness Kits” containing hand sanitizer or face masks.
- **Scam:** Criminals have been posing as medical or hospital employees, telling people that their doctor wants them to be tested for the coronavirus.
- **Scam:** Fraudsters have been going to people's homes to administer fake tests for COVID-19. They've also set up sham [drive-through test sites](#). Others have touted [fake cures](#) and treatments for an illness for which there currently is no cure.
- **Scam:** Con artists have been masquerading as [contact tracers](#).
- **Scam:** Fraudsters are hijacking Facebook accounts and posing as other people, boasting about having received an HHS grant, ranging from \$5,000 to \$15,000, because of the COVID-19 crisis.

# Medicare Scams Do's & Don'ts

- ✅ Be wary of offers of free supplies
- ❌ Don't talk to anyone "from Medicare" who calls you unsolicited
- ❌ Don't give out your Medicare number
- ❌ Never give out your bank account information



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