



Understanding Health Care in Retirement

Healthcare costs continue to be one of the largest expenses retirees face, especially women. When planning for retirement, these types of expenses should be taken into consideration to ensure they will not have an impact on your financial wellbeing.

Why is healthcare coverage more expensive for women than it is for men?

- On average women live 5-10 years longer than men
- Due to their longevity, women are more likely to develop a chronic illness such as cancer or heart disease
- 70% of residents in assisted living/nursing care facilities are women

Available Income & Healthcare Benefits

Individuals 62 and older are eligible to receive Social Security Income (SSI) payments. There are a few factors to consider when applying for your monthly payment, such as: how long you have worked, your earnings history, when you claim and if you are divorced or widowed. Discussions with your Financial Professional can provide assistance in maximizing the benefit you will receive.

Individuals who are 65 and older are eligible to receive Medicare Part A and B benefits. You can also enroll in Medigap, which is a supplemental program that will cover other healthcare costs not covered by Parts A and B. Researching which supplemental plan would work best for you will help eliminate unexpected costs that could arise due to a medical event during your retirement. In addition to the Medicare programs available, if you currently own private medical insurance, it can be utilized as a supplement to traditional Medicare when covering healthcare costs.

How to Mitigate These Costs in Retirement:

Create an emergency fund

This will provide an extra cushion of financial protection should an unexpected illness or injury occur. It will safeguard your retirement savings and ensure that funds allocated for your daily living expenses will not be affected by an unforeseen event.

Supplemental income

Utilizing resources such as annuities and whole life insurance can provide additional income to maintain your current lifestyle and/or assist in paying for healthcare expenses throughout retirement.

Long-term care (LTC) insurance

A long-term care event, and the cost associated with it, can deplete your savings rather quickly compared to other healthcare expenses you will face throughout retirement. Long-term care insurance will protect your savings by offering funds to cover the cost associated with a long-term care event, such as rehabilitation, chronic illness care and/or a resident stay at an assisted living or nursing care facility. There are many options to choose from when purchasing LTC coverage. Your Financial Professional can assist in uncovering which policy is right for you.

Establishing the proper coverage will provide you with the confidence that your financial future will be secured, no matter what uncertainties lie ahead.



Source: <https://www.fidelity.com/viewpoints/personal-finance/long-term-care-costs-options>
<https://www.ehealthmedicare.com/faq/do-i-get-medicare-if-im-getting-social-security-disability-benefits/>

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