



ELIGIBILITY FOR MEDICARE

An important part of the retirement plan that crosses with Social Security.

AGE 65+

Medicare

The eligibility age for Medicare is 65. Medicare is an important part of the retirement plan and crosses with Social Security. Enrollment is not automatic so you'll want to ensure your clients are properly enrolled when turning 65. There are four parts to Medicare; medical insurance, dental, vision, and prescription drug plan options.

Working Beyond FRA

For the client that wants to work a little longer, they can still receive benefits. It's important that as a financial professional you educate your clients about the potential advantages and disadvantages of this situation. The table below shows current earnings limits. Note the different rules that apply to working both before and after FRA

2020 Earned Income Limits

Under FRA—\$1 of benefits withheld for every \$2 in earnings above the limit for years prior to reaching FRA	\$18,240 yr
Individual reaches FRA in 2020—\$1 of benefits withheld for every \$3 in earnings above the limit for months prior to reaching FRA	\$48,600 yr
Month individuals reached FRA and beyond—Reduction no longer applies	↑ to 50% <i>benefits may be taxable</i>

Social Security Administration, "2020 Social Security Changes" SSA.gov

Provisional Income Tax on Social Security Benefits

Income Amount	FRA
File individual tax return and combined income* is \$25,000-\$34,000	Up to 50% of benefits may be taxable
File individual tax return and combined income* is more than \$34,000	Up to 85% of benefits may be taxable
File joint tax return and combined income* is \$32,000-\$44,000	Up to 50% of benefits may be taxable
File joint tax return and combined income* is more than \$44,000	Up to 85% of benefits may be taxable

**The Social Security Administration defines your "combined income" as your adjusted gross income + nontaxable interest + ½ of your Social Security benefits. Social Security Administration "Benefits Planner: income Taxes and Your Social Security 2017," SSA.gov*

Tax-Smart Strategy

- Delay benefits while using other assets for income
- Generate retirement income with Roth IRA distributions

Advantage

- Delay potential taxes on benefits
- Distributions are not taxable. Keeps investments growing, and regulates receipt of taxable income*

This material is not intended to provide specific legal, tax or other professional advice. The services of an appropriate professional should be sought regarding individual situations. Neither AIMCOR Group, LLC, or its subsidiaries or affiliates, offer tax or legal advice. In certain situations, life insurance death benefits may be partially or wholly taxable. Information in this report should not be used in any actual transaction without the advice and guidance of a licensed financial professional. In some instances, a Tax professional and/or Attorney should also be contacted for counsel. Although the information contained here is presented in good faith, it is General in nature may require additional consideration of other matters. This report is for informational purposes only.

Most insurance policies contain exclusions, limitations, reductions of benefits, and terms for keeping them in force. Ask your financial professional to provide you with costs and complete details. Guarantees are based on the claims-paying ability of the issuing insurance company.

AIMCOR Group, LLC is not an insurer and does not issue contracts for coverage. This material is being provided for informational or educational purposes only and does not take into account the investment objectives or financial situation of any client or prospective clients. **The information is not intended as investment advice**

For Financial Professional Use Only. Not intended for consumers