



ELIGIBILITY FOR MEDICARE

AGE 65+

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

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	Advantage
<ul style="list-style-type: none">Delay benefits while using other assets for income	<ul style="list-style-type: none">Delay potential taxes on benefits
<ul style="list-style-type: none">Generate retirement income with Roth IRA distributions	<ul style="list-style-type: none">Distributions are not taxable. Keeps investments growing, and regulates receipt of taxable income*

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