

# 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

### WORKING IN RETIREMENT (2018 EARNED INCOME LIMITS)

Under FRA-\$1 of benefits withheld for every \$2 in earnings above the limit for years prior to reaching FRA	\$17,040 per year
Individual reaches FRA in 2018 - \$1 of benefits withheld for every \$3 in earnings above the limit for months prior to reaching FRA	\$45,360 per year
Month individuals reached FRA and beyond – Reduction no longer applies	Unlimited

Social Security Administration, "2018 Social Security Changes,"SSA.gov



### TAXATION

Planning for the potential taxation of Social Security benefits requires working with a qualified tax professional. But there are a few guidelines you may consider.

## TAXES AND SOCIAL SECURITY

INCOME AMOUNT	FRA
File individual tax return and combine 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 Benefits 2017,” SSA.gov

## STRATEGIES

TAX-SMART STRATEGY	ADVANTAGE
Delay benefits while using other assets for income	Delay potential taxes on benefits
Generate retirement income with Roth IRA distributions	Distributions are not taxable. Keeps investments growing, tax-free, and regulates receipt of taxable income*

\*Conditions apply. In most cases, must be held at least 5 years and distributions not taken before 59 ½ to avoid potential taxes and/or penalties

Information in this report should not be used in any actual transaction without the advice and guidance of a financial professional. Although the information contained here is presented in good faith, it is General in nature and may not be applicable to or suitable for the individual’s specific circumstances or needs and may require additional consideration of other matters. This report is for informational purposes only. It does not constitute a contract or guarantee. Please refer to the insurance company full illustrations for complete details.

Comparing claiming strategies by calculating a “break-even point” can be helpful in recommending the best decision for your client’s specific situation but **remember**, this example depicts a generic situation. Most clients have additional factors to consider, such as differences in age and situations where each spouse has his or her own benefit to leverage. comparing claiming strategies by calculating a “break-even point” can help you recommend the decision that is right for your own specific situation.

For more information contact your local AIMCOR member agency or visit [www.aimcorgroup.com](http://www.aimcorgroup.com)

AIMCOR Group, LLC is not an insurer and does not issue contracts for coverage. All rights reserved. AIMCOR Group, LLC is a national marketing organization. Our affiliate agencies are member Brokerage General Agencies and AIMCOR Group, LLC is not liable for any agreements or contracts between our affiliate member organizations and the financial professionals they serve.