Health & Retirement Services of Illinois

Newsletter April 2021

OUR NEWS LETTER HRSI

In Our Newsletter

CURBSIDE PICK-UP IS NO LONGER JUST FOR GROCERIES

From online ordering to picking up groceries or takeout curbside, it's no secret that consumers and businesses have adapted to more digital, contactless transactions in the past year. The home buying process is another example of this shift to a digital consumer experience, and while homebuyers have been able to house hunt and apply for a mortgage online for years, the COVID-19 pandemic prompted a major shift in the way homebuyers and sellers attend real estate closings.

Now, in the same way you can pick up your groceries curbside, you can close on your new home without leaving the comfort of your vehicle. You can even close on your home while sitting on your couch in your pajamas. While each closing option has its own set of guidelines and circumstances, all of them likely will require participants to allocate additional time for the closing itself. Here are few things to expect on closing day, depending on options offered in your state.

IN-PERSON CLOSING

Believe it or not, homebuyers still have the option to attend a closing the old-fashioned way, in person. To allow for social distancing, it is typically requested that only the sellers and buyers attend the closing. Closings may be conducted in a conference room or even curbside while you remain in your vehicle. Since all parties may not be in the same room at the same time, allocate extra time at the closing, as the closing agent will have to explain the closing documents separately to each party then shuffle between the two parties to collect required signatures.

REMOTE ONLINE NOTARY (RON) CLOSING

A RON closing is a virtual closing where the signers and a notary agree to meet and electronically sign documents via a video conference. Due to COVID-19, RONs are now authorized in 43 states for real estate closings. To conduct a RON closing, you will need access to a computer or tablet with a high- speed internet connection and some privacy to protect your personal and financial information. It is important to note that a RON is not a substitute for your closing agent, so there may be additional fees at closing when utilizing a RON. The lender may also require a “wet” signature, rather than electronic, on select documents. Keys are released once the lender receives all the documents from the closing agent and a funding approval is issued.

REMOTE CLOSINGS VIA REAL-TIME VIDEO CONFERENCE

A remote closing via real-time video conference typically takes place between the closing agent and the signers with all documents delivered to each party in paper format ahead of the closing. The closing occurs online via video conference in the same manner it would in person, with the attorney verifying the identity of the parties and explaining the documents to be signed. Once the signed documents are returned to the closing agent’s office, they are notarized and sent to the lender. Keys are released once the lender receives all the documents from the closing agent and a funding approval is issued. Extra time may need to be allotted for the mailing of the closing documents to and from the parties involved.

Closing options and costs associated with the above options will vary depending on your state and the agency providing the closing services..

IS CLEANING YOUR COMPUTER NECESSARY?

Updated: February 4, 2021

Absolutely. Between dust and clutter, a dirty computer can really slow you down. But in no more than two hours, you can restore your computer to its brand-new, out-of-the-box glory – both inside and out.

Here's what you need to do to clean your computer:

Outside

1. Unplug your device.
2. Moisten a microfiber cloth, scrub all the fingerprints, dust, and crumbs from every crevice, and wipe the screen. Water will work, but so will a solution of equal parts water and vinegar. Be careful not to get any liquid in the ports.
3. Make sure to clean your laptop case too, but make sure it is completely dry before putting back on your laptop.
4. Use compressed air on the keyboard. Feel free to use a Q-tip for those hard-to-reach places.
5. If your mouse is mechanical (as opposed to optical, which doesn't need internal cleaning), unplug it from your computer and remove any batteries. Wipe it down everywhere with a cloth imbued with a touch of alcohol. Give it a few seconds to dry. Don't forget to plug it back into your computer.

Inside

1. Whether you have a Mac or a PC, look at your data storage and identify the files and folders that are consuming the most space. Delete the ones you don't need anymore.
2. PC users should then run disk cleanup, which frees up space on your hard drive. Mac users should go to "Storage > Manage" to delete unused files or apps. Macs also offer a "Reduce Clutter" option that can help you identify irrelevant files.
3. Make sure to always back up your hard drives.
4. If you have a PC and have completed these steps but still need to free up space, check out these tips from Microsoft.
5. Clear your web browser history.
6. Empty the trash.
7. Reboot your computer.

That's it - you're done! You've just extended your computer's life and renewed your productivity. What a great way to start off a new year! To keep your computer healthy year-round, follow these steps every six months.

Disturbing percentage of Med Supp, Advantage enrollees lack full understanding of plans

By **Insurance Forums Staff** March 8, 2021

A revealing new dataset on Medicare beneficiaries sheds light on just how little many of them understand about the coverage.

MedicareGuide.com surveyed how well U.S. adults 65+ understood their Medicare Supplement and Advantage plans and gauged how much respondents use and trust eight sources of information, including agents and the government, in their buying decisions.

The survey found some significant disparities:

- 29% of U.S. adults aged 65+ with Medicare do not fully understand Medicare Advantage plans, and 23% do not fully understand Medicare Supplement plans.
- 82% of respondents who'd enrolled in one or the other type plan said they understood Medicare Supplement "very" or "somewhat well." That compares to 76% who said they understood Medicare Advantage very or somewhat well.
- Personal physicians are the most trusted (57%), and telemarketers the least trusted (1%) sources of information on Medicare Supplement and Medicare Advantage plans.
- Licensed insurance agents are the most-used source of information and the second-most trusted source of information (behind doctors) when applying for Medicare Supplement or Advantage plans.

Given their lack of understanding, many elderly Americans turn to agents for help enrolling in plans, despite the fact that only 20% of Americans 65 and older said they trust agents a great deal.

Asked how much they used eight information sources when they applied for Medicare Supplement or Advantage plans, the greatest number, 28% of respondents, said they used licensed insurance agents a great deal.

The importance of trust in licensed insurance agents becomes clear in another result of the survey: a 52% majority of Americans signed up with Supplement or Advantage plans were enrolled by an agent.

Twenty-nine percent of respondents with Med Supp or MA plans said an agent enrolled them in person. Another 23% said an agent enrolled for them by phone.

A further 29% said they enrolled online themselves; 8% enrolled by mail, and 11% cited other methods.

Eighty-eight percent of Americans who signed up for Medicare Supplement or Advantage plans said they were the primary decision maker in choosing a plan. Another 8% said their spouse was the primary decision maker, while less than 1% answered either an adult child, another family member, or a friend.

Predictably, Medicare Advantage came out on top in terms of ease of enrollment. Asked how easy or difficult the enrollment process was, 59% said Medicare Advantage was easy to enroll in, compared to just 48% who said the same about Medicare Supplement.

Medicare Advantage applications are standardized and about two pages long. Medicare Supplement applications vary by carrier and state, and are virtually all over 10 pages.

ACA expansion has ups and downs

WASHINGTON – Some consumers will find it quick and easy to take advantage of generous health insurance subsidies in the new COVID-19 relief package, but others face extra paperwork and a wait, federal officials said Friday.

The $1.9 trillion legislation signed by President Joe Biden on Thursday includes among its dozens of provisions the largest expansion of health insurance tax credits under the Affordable Care Act in a decade. It cements the place of the Obama-era law among government health insurance programs, after four years of efforts by former President Donald Trump to overturn it.

The "Obamacare" expansion reduces costs for new customers, for those already enrolled in the program, for people who experience unemployment this year, and it might also help many whose incomes were too high to previously qualify for subsidies.

But it affects people in each of those groups in a different way, according to a summary released by the Centers for Medicare and Medicaid Services. Here's a quick overview:

h Starting April 1, those who sign up at HealthCare.gov under a special enrollment period will automatically get the benefit of the higher subsidies authorized by Congress. The extra taxpayer- provided assistance reduces net costs by an average of $50 per person per month, CMS said. The special signup period ends May 15.

h More than 9 million who are enrolled and receiving subsidies for their private health insurance plans also stand to benefit from the boost in aid. But they will have to go back to Health-Care.gov after April 1 to get their discounts. Or they could wait until tax time next year to claim the richer tax credit owed them under the legislation. A CMS official said the agency is working to see if it can automatically provide current customers with their savings later this year.

h People who experience a spell of unemployment this year are entitled to enroll in a standard HealthCare.gov plan at no cost to them. But officials said figuring out how to connect the health insurance program with unemployment assistance databases is going to take time. Nonetheless, CMS is urging unemployed people to enroll for health care now. They would be able to claim their full subsidies later.

h People who previously made too much to get financial help under the "Obamacare" limits have some math to do. Congress not only increased the amount of aid, but changed the income formula so more people in the solid middle class can qualify. However, they will have to have a health plan that meets the standards in the Obama health law. That means many might have to switch coverage.

"Changing anything in the health care system takes a lot of time and a lot of effort," said industry analyst Chris Sloan of the consulting firm Avalere Health.

It's disappointing that existing customers will have to take extra steps to claim their enhanced subsidies, he added.

HealthCare.gov serves 36 states, and others run their own health insurance markets. So different timetables are possible for the rollout of the new benefits.

Surprise Retirement Expenses

When you're living off your savings, unexpected expenses can undo years of diligent planning.

"Withdrawing an extra $10,000 for a new roof might not seem like much in the grand scheme of things, but it can really derail your plan—especially when you consider that that money is no longer at work in the market," says Rob Williams, vice president of financial planning at the Schwab Center for Financial Research.

When every dollar counts, your retirement spending plan needs to anticipate as much as possible. Toward that end, here are five common yet unexpected setbacks that can upend your retirement plan—and how to better prepare for them.

1. Hidden housing costs

Nearly 80% of those ages 65 and older own their homes, according to the Joint Center for Housing Studies of Harvard University. However, a lot of pre-retirees fail to look beyond their monthly mortgage payment when estimating their long-term housing costs. Research from the Society of Actuaries found that unanticipated home repairs are retirees' single most common financial surprise.[1]

To estimate the cost of future repairs, which can vary widely, consider having your home inspected by a professional before you retire. "If it's been a while since you purchased your residence, having it re-inspected can help identify hidden problems before they become major headaches," Rob says. A good rule of thumb is to budget 1% of your home's total value for annual repairs and maintenance.

You should also consider the consequences of remaining in your home long term. Might you eventually require wheelchair access or other disability-related alterations? "As unpleasant as it is to contemplate, anticipating and planning for such challenges can make the transition a little easier—both physically and on your finances," Rob says.

2. Uncovered health care

Even with Medicare, it's no secret that health care can cost you a pretty penny in retirement. "But many retirees don't fully appreciate just how much, in part because they believe Medicare covers more than it actually does," says David Jamison, a Certified Financial Planner™ professional with Schwab's Centralized Planning Team.

Original Medicare comprises Part A, which covers hospital stays, and Part B, which covers doctor visits. Many other expenses and services you might consider routine—such as dental, hearing, and vision care, as well as copays and prescription drugs—are covered only through supplemental plans, which cost extra.

For complete coverage, you may need multiple plans. For example, you can sign up for Medicare's stand-alone prescription drug program, known as Part D, as well as purchase a private Medigap policy to help cover deductibles, coinsurance, and copays. You could also consider adding private insurance to cover routine dental, hearing, and vision care.

Another approach would be to buy a private Medicare Advantage plan, which bundles parts A and B, and can include dental, hearing, and vision care.

It's important to understand that each approach comes with trade-offs. Medigap plans, for instance, may mean fewer out-of-pocket expenses but generally have higher premiums. Medicare Advantage, on the other hand, may have lower premiums but could involve more out-of-pocket expenses. All told, Schwab suggests that retirees budget between $450 and $850 per month per person for health care costs, including plan premiums and out-of-pocket expenses. If your current budget won't support that amount, consider taking steps now to ramp up your savings.

"To help meet the rising costs of health care in retirement, it may make sense to contribute to a health savings account (HSA) each year while you're working, if eligible," Rob says. Contributions to HSAs are federally tax deductible, earnings are tax-free, and withdrawals are also tax-free if used for qualified medical expenses, which include Medicare premiums and out-of-pocket costs but not Medigap and Medicare Advantage premiums.

3. Long-term care

The U.S. Department of Health and Human Services estimates that close to 70% of today's 65-year-olds will require some kind of long-term care, for an average of about three years—and the costs can be exorbitant.

For example, the national average cost[2] for an in-home health aide in 2020 was $54,912, whereas a private room in a nursing home facility was $105,850. "Americans are becoming more aware of these potential expenses but most still don't really plan for them—or even know where to start," David says.

Some retirees may be able to reduce long-term care costs by turning to their families for help, but those who can't or don't want to rely on their loved ones generally cover these expenses in one of two ways:

- **Out of pocket:** One approach is to pay out of pocket if and when the need arises, in which case you'll need significant savings to cover such costs. The benefit of this approach is that you pay for only what you need, which may be attractive to wealthier individuals who don't want to pay for insurance they may not use.
- **Long-term care insurance:** For most people, coming up with an extra hundred thousand dollars or more isn't realistic—in which case, long-term care insurance may allow them to get the quality care they need without having to liquidate their assets to pay for it. David says it's generally best to purchase a policy in your 50s or early 60s, assuming you're still healthy and insurable, to lock in a more affordable premium. "Yes, you'll be paying for something you might not end up needing, but that's true of many types of insurance—and you will have turned a potential financial surprise into a predictable expense," he says.

4. A child in crisis

It's natural to want to step in when your child needs financial help. But the older you are, the more difficult it can be to recover from such an unanticipated expenditure. In fact, half of all parents financially helping an adult child say it's putting their retirement savings at risk.[3] "When an adult child falls on hard times, retired parents often feel obligated to help, even when their savings can't really accommodate the added expense," David says.

Before offering your support, think about how much help you're able to provide—and for how long. "Are you willing to withdraw a large lump sum from your savings, for example, or would you be more comfortable covering smaller expenses over a longer time frame while they get back on their feet?" Rob asks.

If you do decide to dip into your retirement savings, be sure to have an honest conversation with your child about the terms of the arrangement—including whether the money will be a gift or a loan—and be clear about the extent to which you're willing to help.

"Boundaries and clear communication are really important in a situation like this," David says. "Your child may see the money as a gift while you expect to be paid back, which can cause conflict down the line." If you both agree to a loan, however, make sure you understand the rules surrounding intrafamily loans before you finalize the terms—the details are complicated and can create unexpected tax consequences.

For example, the IRS sets a minimum rate for such loans, called the applicable federal rate (AFR), which changes each month but generally approximates the rate paid by certificates of deposit and savings accounts. If your loan's rate is below the AFR or the IRS determines that the loan wasn't really a loan at all, it may be treated as a gift for tax purposes (and subject to the $15,000 annual gift tax exclusion).

5. Losing a spouse

There's little you can do to prepare for the emotional shock of losing your spouse. But failing to prepare for it financially can leave you in a precarious position. Surviving wives, in particular, are more likely to face financial hardship, with about half reporting a loss of at least 50% of their income after losing their husbands.[4]

The good news is there are steps you can take now and in the future to mitigate such risk:

- **Life insurance:** The lump sum paid upon the insured's death can help offset a loss of income, be it from a paycheck, a pension, or Social Security. "Review your net worth statement, future cash flows, and goals to see if there are any significant gaps you may want to insure for your surviving spouse," Rob says.
- **Pensions:** If you or your spouse is eligible for a pension, investigate survivorship options before you retire. "Opting for survivor benefits may reduce your monthly benefit, but payments will persist even after you pass," Rob says. It's best to weigh your options with a financial planner, who can help you think through how all your sources of income fit together—now and after a death.
- **Social Security:** Your surviving spouse is eligible to receive your Social Security benefit upon your passing. If you're the higher earner and not yet collecting benefits, it may make sense to delay doing so as long as possible. That's because every year you delay past full retirement age (between 66 and 67 for today's retirees) increases your benefit by 8% (up to age 70, past which there is no incremental benefit). Not only does this increase your benefit during your lifetime, it also ensures the surviving spouse—whether that's you or your mate—is left with the biggest possible benefit. Once one spouse passes, the survivor can collect reduced benefits as early as age 60 (50 if disabled), but waiting until full retirement age will ensure the largest payout.

Finally, make sure your estate plan is organized and up to date to help ensure a smooth transition of assets upon your passing. An estate-planning attorney can help you identify and correct any gaps in your plan.

Don't stress

It's impossible to dodge every curveball life will throw at you, but even a little extra forethought can make unexpected expenses more manageable.

"Working with a financial planner can help you anticipate potential problems," Rob says. "And the more prepared you are, the more confident you're likely to feel as you transition to life after work."

Dental Coverage
for as
low as
$15
a month!

Click Here for more
Details
OR
Call 1-800-739-4700

To contact us: go to www.healthcareil.com or Call (800) 739-4700