

# ESTIMATING YOUR HEALTHCARE COSTS IN RETIREMENT

## Welcome to retirement!

We've created this worksheet for you to use as a guide to estimate your health care costs in retirement. Though we've included the path that is ideal for many people, we know that everyone's situation is unique. Be sure to consult a licensed health insurance agent before purchasing any supplemental coverage.

**Let's get started!**

Source: Medicare.gov

### Have you worked at least 10 years or 40 quarters?

<b>Yes</b>
<b>Congratulations, Part A is free!</b>

<b>No</b>	
Worked between 30 and 39 quarters:	Worked fewer than 30 quarters:
You will pay the <b>reduced premium</b> of \$278/mo.	You will pay the <b>full premium</b> of \$505/mo.

Write your monthly Part A premium here:

### Let's sign up for Medicare Part B!

It's usually the right choice once you are not working full-time. Use this chart to see how much you'll owe for Part B. Circle the amount that best describes your anticipated annual tax filing status and income in retirement, then follow the chart across to see what your monthly Part B premium will be in 2024. Write that number in the box to the right. *Numbers based on yearly income on most recent tax return.*

Individual Return	File Joint Return	File Married & Separate Tax Return	Monthly Premium in 2024
\$103,000 or less	\$206,000 or less	\$103,000 or less	\$174.70
Above \$103,000 up to \$129,000	Above \$206,000 up to \$258,000	Not Applicable	\$244.60
Above \$129,000 up to \$161,000	Above \$258,000 up to \$322,000	Not Applicable	\$349.40
Above \$161,000 up to \$193,000	Above \$322,000 up to \$386,000	Not Applicable	\$454.20
Above \$193,000 up to \$500,000	Above \$386,000 up to \$750,000	Above \$103,000 up to \$397,000	\$559.00
Above \$500,000	Above \$750,000	Above \$397,000	\$594.00

Write your monthly Part B premium here:

### It's time for a plan - Plan G!

For the purposes of this illustration, we recommend that you purchase Medicare Supplement, Plan G. You have other options, but for many, this is the right choice. As an example, below are average rates in Iowa for a Medicare Supplement Plan G. These types of plans are available from many carriers. Circle the option that best describes your situation and write that number in the box to the right.

Age	65	66	67	68	69
Male	\$124.28	\$125.85	\$129.69	\$130.87	\$134.89
Female	\$111.08	\$112.25	\$113.64	\$115.75	\$118.38

Write your monthly Med Supp premium here:

MEDICARE PART A

MEDICARE PART B

MED SUPP PLAN G

## Now it's time to think about prescriptions.

In most cases, you'll want to purchase a Medicare Prescription Drug Plan. For 2024, the average monthly cost of a standard Part D plan is \$34.70. Depending on your income and filing status, you may have to pay an additional amount beyond the Medicare Prescription Drug Premium. Circle the amount that best describes your anticipated annual tax filing status and income in retirement. Then, follow the chart across to see if you have to pay an additional amount. Add that amount to your premium. Write that number in the box. *Numbers based on yearly income on most recent tax return.*

Individual Return	File Joint Return	File Married & Separate Tax Return	Monthly Premium in 2024
\$103,000 or less	\$206,000 or less	\$103,000 or less	Your plan premium
Above \$103,000 up to \$129,000	Above \$206,000 up to \$258,000	Not Applicable	\$12.90 + Your plan premium
Above \$129,000 up to \$161,000	Above \$258,000 up to \$322,000	Not Applicable	\$33.30 + Your plan premium
Above \$161,000 up to \$193,000	Above \$322,000 up to \$386,000	Not Applicable	\$53.80 + Your plan premium
Above \$193,000 up to \$500,000	Above \$386,000 up to \$750,000	Above \$103,000 up to \$397,000	\$74.20 + Your plan premium
Above \$500,000	Above \$750,000	Above \$397,000	\$81.00 + Your plan premium

Add your monthly Part D premiums here:

## Let's estimate your additional out-of-pocket costs for prescription drugs.

Even though you've purchased Part D coverage, it is likely you will still have out-of-pocket costs. Those costs vary based on how many prescriptions you use. Choose which of the three scenarios most closely resembles your situation and add that dollar amount to the box.



I don't take any prescriptions.  
Add \$0 to total.



I take fewer than six prescriptions per month and use generics when possible.

Add \$50 to total.



I take more than six prescriptions per month and use generics or brand name.

Add \$300 to total.



Add your monthly prescription drug cost here:

Add up all of your boxes along the right side of this worksheet and write that number in the left box below. Then, take that final number and multiply it by 12.

Sum of all of the boxes

x 12 months = \$

Estimated annual health care costs in retirement

**You're done!** This final amount is an estimate of how much you should budget per year for medical expenses during retirement.

**Time to think about the future.** Let's assume that costs will increase by 8% every year.

To find your projected cost **5 years** from now, take your total number from above and multiply it by **1.47**.

x 1.47 =

5 year projected cost

To find your projected cost **10 years** from now, take your total number from above and multiply it by **2.16**.

x 2.16 =

10 year projected cost

*Disclaimer: We understand that every individual scenario is unique and that some of the choices in the worksheet may not be the best path for every individual. Throughout this worksheet, we've used our expert opinion to select the options we think are best for the majority of people.*