

Planning for Medicare premium costs in retirement

Step 1: Determine your premium costs:

The premiums associated with Medicare can add up quickly and last a lifetime. To help get a better understanding of these ongoing premium costs you'll face in retirement, consider this hypothetical example below.

This hypothetical example assumes an Original Medicare approach consisting of Part A, Part B, Part D and Medigap Plan G. Of course, your actual costs will vary based on the Medicare approach and options you choose, along with your income level.



| Medicare annual premium cost example (Married couple filing joint tax return with income of less than \$194,000) | |
|---|-------------------------|
| Coverage | Cost |
| Part A premium – Hospital insurance Deductible and co-payments covered by Medigap Plan G | \$0 |
| Part B premium – Medical insurance Coinsurance covered by Medigap Plan G | \$2,204.80 ¹ |
| Part D premium – Medicare Prescription Drug Coverage | \$2,413.20 ² |
| Medigap Plan G premium – Medicare Supplement Insurance | \$1,497.96 ³ |
| Total per individual/per couple | \$6,116/\$12,232 |

It's also important to consider that, while a Medigap policy can help pay for some of the health care costs that Medicare doesn't cover, such as copayments, coinsurance and deductibles, Medigap policies generally don't cover long-term care (such as a nursing home), vision or dental care, hearing aids, eye-glasses or private duty nursing. Those are additional expenses you may need to prepare for as you plan.

¹Part B monthly premium of \$164.90 plus Part B annual deductible of \$226. Source: Medicare.gov, "2023 Medicare Costs," November 2022 and Medicare and You Handbook 2023.
²www.kff.org, "An Overview of the Medicare Part D Prescription Drug Benefit", 10/19/22. Actual premiums paid by Part D enrollees vary considerably. For 2023, PDP monthly premiums range from a low of \$1.60 for a PDP in the Oregon/Washington region to a high of \$201.10 for a PDP in South Carolina (unweighted by plan enrollment).
³Christian Worstell, medicare supplement.com, "The 2023 Average Cost of Medigap Plan F, Plan N and Plan G by Age," 2/21/23.

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Step 2: Create a plan to help meet your Medicare premium costs

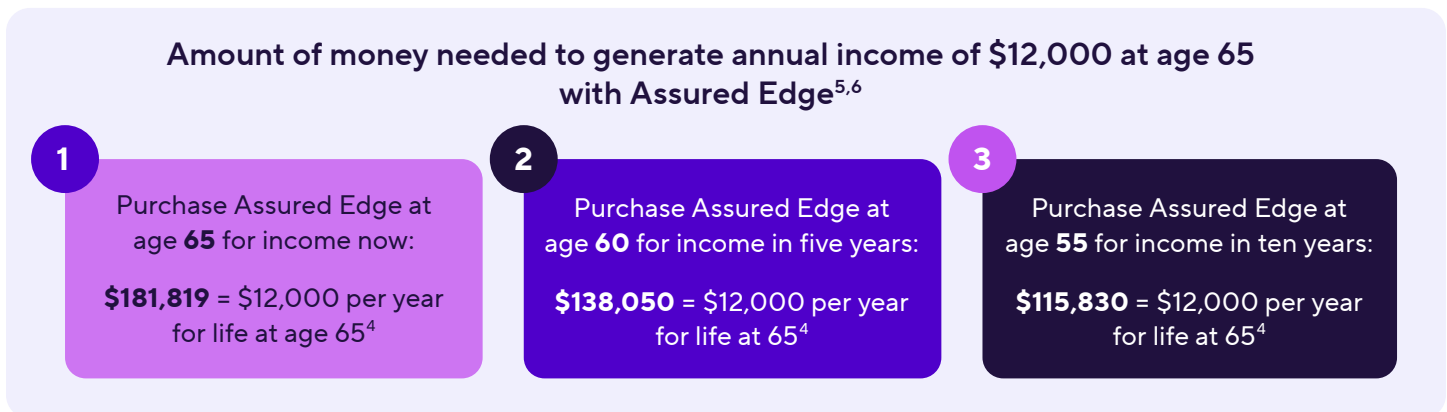
There are a number of different ways to meet healthcare costs in retirement. One strategy to consider when it comes to helping with your Medicare premiums is a fixed annuity. A fixed annuity is a contract between you and an insurance company that, in exchange for your premium (earning a fixed rate of interest), offers a stream of guaranteed income payments. Having protected lifetime income from a fixed annuity available to help with ongoing Medicare costs can help add to your sense of security and well-being in retirement.

Assured Edge[®] is a fixed annuity with a guaranteed lifetime withdrawal benefit. It can provide you with payments that are guaranteed each year for as long as you live—even if the contract value is completely depleted because of lifetime withdrawals.⁴ You will also have the opportunity to grow your future income with an 8.5%⁵ income credit every year until you start receiving lifetime income payments. And because Assured Edge is a fixed annuity, there is no need to worry about stock market ups and downs.

When you purchase Assured Edge, a guaranteed lifetime withdrawal benefit is automatically included in the contract. The annual fee for the benefit is 0.95%. The fee is calculated as a percentage of the contract value and is deducted from the contract value on each anniversary. Once the contract is issued, the fee percentage will never change.

Generate protected lifetime income for retirement

Let's assume your goal is to generate annual income of \$12,000 at age 65 to help pay for your Medicare premiums in retirement. How much money would you need to meet that income goal? The graphic below helps to illustrate different timing examples using Assured Edge.



⁴The amount can decrease if you take a withdrawal in excess of the guaranteed lifetime income amount or permitted RMDs, if greater.

⁵Assured Edge income percentages and the income growth rate are set periodically by the company and may be different from what is shown. Ask your financial professional for current rates.

⁶Hypothetical example above is for illustrative purposes only and based on the income percentage (joint coverage) and income growth rate as of 6/16/23. Not an actual case and intended solely to depict how the product might work. It does not reflect the value of any specific contract. Hypothetical example does not take into account any taxes. Taxes, if reflected, would reduce the net amount of the annuity withdrawals.

Annuities are long-term insurance products designed for retirement. Withdrawals other than the Guaranteed Lifetime Income Amount (GLIA) or a change in covered person(s) may affect the GLIA. See the product overview or brochure for details. Withdrawals may be subject to federal and/or state income taxes. An additional 10% federal tax may apply if withdrawals are taken before age 59½ in addition to ordinary income tax. Partial withdrawals may reduce benefits and contract value.

Assured Edge Fixed Annuities are issued by **American General Life Insurance Company** (AGL), Houston, TX, and **The Variable Annuity Life Insurance Company** (VALIC), Houston, TX. Issuing company AGL or VALIC is responsible for the financial obligations of insurance products and are wholly owned subsidiaries of Corebridge Financial, Inc. **Guarantees are backed by the claims-paying ability of the issuing insurance company.** AGL does not solicit, issue or deliver policies or contracts in the state of New York. May not be available in all states and product features may vary by state. Please refer to the contract. Complete product information including terms, conditions, and fees can be obtained from your financial professional.

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