

Daily Union Article
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Title: I'm Turning 65, Now What?

Did you know that in the United States, over 10,000 people turn 65 every day? For many, that means they are able to retire. For many others, it means they still have 2 years to go before they punch the time clock for the last time or sign an "intent to retire" form with their company or agency. Until 1983, full retirement age had been 65 years of age. With action taken by the 1983 congress, comprehensive changes were made in Social Security coverage, financing, and benefit structure.

In the *Social Security Amendments of 1983* legislation (P.L. 98-21, (H.R. 1900) signed on April 20, 1983, the age of full retirement began to increase. Specifically, the law raised the age of eligibility for unreduced retirement benefits in two stages to 67 by the year 2027. Workers born in 1938 were the first group affected by the gradual increase. Benefits are still available at age 62, but with greater reduction, due to these changes.

Although we haven't reached the year 2027 stated in the amendment, the retirement age for a significant portion of our population will have to reach 67 to get full retirement benefits. Anyone born in 1960 or after have a full retirement age of 67. You will recall that people in this group can still get benefits at age 62, but the reduction is fairly significant:

- age 62, you will get 70 percent of the monthly benefit because you will be getting benefits for an additional 60 months.
- age 65, you will get 86.7 percent of the monthly benefit because you will be getting benefits for an additional 24 months.

If you decide you want to wait beyond age 67 to get your benefits, you can actually increase your monthly benefits and wait until as late as age 70. The benefits are called delayed retirement credits. If you delay benefits past your full retirement age, your year of birth and the number of months you delay determines how much your benefit can increase.

How do delayed retirement credits affect your Medicare Benefits? It doesn't. Although they work together for purposes of applying for Parts A & B of Medicare, they function as individual services. If you decide to delay your retirement, be sure to sign up for just Medicare **at age 65**. If you do not sign up, in some circumstances your Medicare coverage may be delayed and cost more.

There is no doubt that navigating the Medicare and Social Security mazes can be confusing. As long as you recognize that Social Security Full Retirement Benefits will likely not be in place for you until *after* you turn 65 and the Medicare Benefits are available to you *at* the age of 65, you're off to a good start.

In order to be eligible for Medicare, a person must fall in to one of three groups: 1) those who are 65 and older; 2) those who are disabled; or 3) those who have end-stage renal disease (ESRD.) Eligibility is not based on financial need, but rather is tied to employment. For example, Medicare Part A's Hospital Insurance benefits are funded by the FDIC withholding tax that comes out of people's wages.

In addition to Medicare Part A which provides hospital insurance, there are 3 additional parts to the current Medicare system of benefits. Medicare Part B, officially called the Supplementary Medical Insurance program, is medical insurance that covers such services as doctor visits and outpatient hospital treatment plus other services. Medicare Part C, added in 2003, is another term for the Medicare Advantage Program. It is a system for delivering Medicare benefits to beneficiaries who enroll in plans offered by private companies. These plans agree to coordinate the care beneficiaries receive and reduce costs by focusing on prevention and limiting the use of services. In contrast, the Original Medicare program usually pays for care on a fee-for-service basis. The most recent program to be added to Original Medicare is Medicare Part D.

If this has only confused you more, here is another opportunity to learn how all the parts of Medicare work. On Monday, September 17, a free Medicare Basics program is being offered at the Dorothy Bramlage Public Library at 230 W. 7th Street in Junction City from 2:00pm – 4:00pm. This two hour program will walk you through all parts of the Medicare Maze, provide you with printed resource materials, and show you how to navigate the Medicare.gov website, should you like to explore it further.

Although there is no cost to attend, pre-registration is required to make sure enough resources are available for everyone attending. If you are nearing the age of 65, this program would be a great resource for you as you make the decisions necessary to turning 65 and becoming a Medicare Beneficiary. To register, call the Geary County K-State Research & Extension office at 785-238-4161. Space is limited so call soon. Registration closes September 10 at 5pm. Until next time, keep living resourcefully!

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Your full retirement age may be later than you thought and later than you would like, but the number of years you live in retirement may be longer, too. Many of us are living much longer than the "average" retiree, and most women live longer than men. In fact, about one in three 65-year-olds live until at least the age of 90. One in seven 65-year-olds today will live to the age of 95! Since Social Security Benefits last as long as you live and once you reach your full retirement age, you can work and earn as much as you want and still get your full Social Security benefit payment.