ACCOUNT FOR YOUR HEALTH: UNDERSTANDING FEDERAL INSURANCE PROGRAMS

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Thank you all for joining us today for Account for Your Health: Understanding Federal Insurance Programs. I'd like to welcome back our presenter, Andrew Hall, from the Institute for Financial Education who has presented on various financial topics for us before. Thank you for being with us today, Andrew. I'll hand it over to you to let you tell a little more about yourself.

There's one that is a HMO health maintenance organization. Basically how the for service insurance work is it reimburses the healthcare provider for the cost of services basically this is what you called PPO. At the end of the day PPO means as long as you are in network. A network of doctors that you can choose from as long as you are in that network of doctors, you can go to those doctors whenever you want and essentially pay coinsurance or, it will be covered for whatever your plan has to say for itself. And HMO is different from a technical side is prepaid but essentially everything you ever need done from a medical perspective has to go through a primary care physician first. A lot of the times what this means, and this is what I had when I worked for the state of Illinois out of college for a couple of years. I had an HMO and I hurt my shoulder and I needed to have shoulder surgery. I had to go to my primary physician first to get a recommendation or to get an approval to see an orthopedic surgeon and so on and so forth. Everything through an HMO has to go through the primary care physician. That's basically the options you have. They're different level plans et cetera when it comes to open enrollment but I think you need to make the bigger picture decision for yourself. I want something that has a network of doctors I can go to when I want and maybe I have more coinsurance I have to pay, or do I go through my physician or save money on coinsurance and just use co-pays. There are a lot of resources during the open enrollment. But those are the two big decisions you have. So you can enroll in this insurance or cancel this insurance, only during open season. Open season is the big time. It's calming a. It's the time of year when decisions can be made. In November. The only other time you can change your decisions is if a qualifying event occurs. Basically if what they call a qualifying event occurs, you can change that within 60 days of said qualifying event. So, Andrew, what is a qualifying event? Well, a qualifying event is a change in family status. You get married or divorced or a marriage annulment. You have a birth or adoption or a stepchild or foster child, or a court order. Your last child turns 26 or Mary's. What happens then? They fall off of your insurance at that time. That is a life-changing event. Or maybe the death of a spouse or death of a dependent occurs, that is a life-changing event. You can add, change, whatever, if and when that happens. The next change of employment status. If you are employed or re-employed after a break of longer than three days. This is probably more of a special situation within the federal government. If you leave for a little bit and come back, that is something you can do not in open season. Relocation outside of a covered HMO area. If you are using an HMO you have to use your primary physician to go to any other doctor. If you move and the area in which you are at, obviously, if you are 300 miles from your physician, it doesn't make sense for you to be on that plan. They will allow you to change at that time. And loss of coverage from a nonfederal plan by a spouse. Essentially, let's say I was married and not using the federal insurance. I was using my spouse's insurance and my spouse retired and we lost the insurance. That would be a life-changing event, as well. Or, congratulations, you turned 65 and are eligible for Medicare. You now have the option to decide do I want to go on Medicare or state and federal health insurance? What do I want to do? That is an option in which you can actually change your coverage. Change in family status, employment status, relocation, loss of coverage, becoming eligible for Medicare -- these are all life-changing events otherwise you have to wait for open enrollment in order for you to make a decision. What is important is understanding how the health benefit actually works in retirement. This is really important to know because this is the decision point most people need to make. What am I going to do if and when I retire? What will happen when I retire? So essentially the cool thing about the federal health insurance is you can continue your benefits through retirement, as long as you are entitled to an immediate annuity and you have been enrolled continuously for the five years of service immediately prior to the annuity start date. That is key. As long as you have been on it for five years leading up to the retirement or as long as you possibly could have leading up to retirement. You can keep this through all retirement. Here are some key things. If you defer your annuity, you will not be eligible for the federal health benefit during the deferment.. If you are able to retire, postpone, postpone your retirement. Let's say you work 25 years and you decide to retire at age 58 but you won't take your full pension until you are 62. That is a postponed retirement. If you postpone your annuity then you will not receive federal health insurance benefits while your annuity is postponed. Once your full annuity begins at age 62, then you can reapply and get FEHB again and you are good to go. I think the most important thing on this slide for people to take away is your spouse can remain on your benefit. And even after you die, you can keep your health benefit, but only if a survivor benefit annuity is selected. Only if a survivor benefit annuity is selected can they continue the health coverage after you die. Big picture thing here looking at it is you, the employee, it needs to be on the insurance five years before you retire. The spouse does not have to be. You can add them at any point in the future during an open enrollment. Even after you are retired. Let's think about the key takeaways on the slide. You are entitled to the health insurance and retirement the length of your retirement but you have to be on it five years before you are retired. You are also eligible, your spouse is also eligible for the retirement benefits. And even after you die there eligible for those retirement benefits as long as you select one of the survivor annuity options.

But, Andrew, what about Medicare? Do I need to go onto Medicare? What is Medicare and how does that work with my federal health insurance benefits? This is a decision everyone has to make. Medicare is federal health insurance for those 65 and older for everyone. You don't have to be a federal employee to be on Medicare. For most of us, let's say you are not a federal employee, what happens when you turn 65? You sign up for Medicare part a. It's hospital insurance and is free depending on when you enroll. If you go into the hospital, Medicare part a covers that. Medicare part B is about $170 a month and it covers 80% of your medical expenses. Let's look at a nonfederal employee that turned 65. They sign up for part A and it's free and comes their hospital benefit. Sign up for part B and a covers 80%. 20% is left uncovered. Someone like me who is not a federal employee has to go to the open market and find a way to cover that 20% that is not covered because it can add up. So here is the deal. You don't necessarily need to sign up for Medicare part B. When you do retire and you do decide I'm going to keep my federal health insurance, you can keep the rest of your life and that will be all your insurance you will still sign up for Medicare Part A. It's free . It's your hospital insurance and it will become your primary insurance and you federal health insurance will become your secondary insurance but it will still cover everything. Should you decide you want Medicare and part B you can sign up for Medicare Part B and that bullet part at the middle said if you decide to sign up for Medicare Part B it's important you coordinate properly to avoid paying for unneeded covered so Part B becomes your primary coverage and the federal health benefit becomes your secondary and covers the 20% not covered by Part B . You can buy Medicare Part B and user health benefit as a supplement if you want your if you do not select a survivor benefit after passing, your spouse would need to enroll in Medicare Part B. Basically at the end of the day this is what you need to know. Medicare is a federal health insurance program for people. Medicare Part A is free and you need to sign up for it when you retire or turn 65. Medicare Part B is a decision point you need to make for you and your family and with your financial leader and your life. Sometimes it makes a lot of sense for a federal employee to take Medicare Part B because maybe they don't want the survivor annuity and they will use Medicare Part B , which is good insurance companies they health benefit to cover the 20%. Maybe you and your spouse or your single and you will stay on federal insurance the rest of your life. Decision point to be made but that is how it works. And when you peel back the layers of the onion and how this is coordinated, Medicare and taxes and income planning and things like that are all really important to an overall financial health and financial well-being. And the last piece I want to talk about when it comes to federal insurance is TRICARE. If you were in the military you know what TRICARE was. If you were never in the military, do not for a minute because it does not apply to you. Basically TRICARE is health insurance for military or former military personnel. Many of you on TRICARE no that basically what you do is you get health insurance until you are 65 and then you turn 65 and now what happens? TRICARE goes away and something new comes in and it's called TRICARE for life. All TRICARE for life essentially is a supplement to cover the extra 20% of medical costs not covered by Medicare Part B. TRICARE for life. You sign up for Part A . Part B . And you have TRICARE for life which essentially acts as a supplement to cover the extra 20% of costs not covered by Part B. That is TRICARE and that is how TRICARE works . And that in a nutshell is your federal health benefits that you received. Now let's talk about one of my favorite topics and if you were on last month or a couple months ago or you can look at some of the presentations, life insurance. FEGLI is what is known as and that stands for federal employees group life insurance. Life insurance is one of the most misunderstood areas that there is an exist in the financial realm today. Everyone has an opinion. On what the best way to do this is but I really focus hard and challenge you more than anything to look at how it looks like over all in the big picture. Try not to look at individual products so much as how is this product making sure I will be okay regardless of what happens to give me the courage to live my life that I sacrificed 40 years for and create experiences for the people I care the most about life insurance is a solid tool that can do that but we will talk about the pros and the cons of the federal group life insurance. There are essentially four options. Something known as FEGLI basic , option A, B, and C. FEGLI has a cost , FEGLI basic has a cost per $1000 a month of coverage. Depending on how much you make in a year is how much the insurance costs on a monthly basic if you make $100,000 in a year doing the math on a calculator in front of me. If you make $100,000 a year you pay $34.67 for FEGLI basic that's that. What is it? What is FEGLI Basic? It is essentially your salary rounded up to the next $1000 plus $2000. If I make $99,950, my FEGLI Basic is -- what other options do we have? Another option that we have is Q&A -- FEGLI Option A. Basically adds $10,000 of additional coverage on your life. The cost you can see on this table. It increases every year on a monthly basis. When you are 40 years old it's $0.65 a month for $10,000 in additional life insurance. When you're 60-years old it's $13 a month for $10,000 of life insurance. That's on top of your one times your salary. This is where the planning gets important. And this is where Option B is the most important part of planning as a financial leader myself. We really look at this hard. Something you need to understand with FEGLI is this cost chart. When you are 35 or 40 or 45 or even 50, you can see the cost per $1000 is pretty low. Let's say I make $100,000 a year and I decide I want five times my salary in coverage. That is half a million dollars. And let's say I'm 54 years old. That $500,000 of insurance at 54-years old costs me $100 a month. $108 per month. But the day I turned 55, I go from $108 a month to $195 a month. And the day I turned 60 I go from $190 a month to $435 a month. And FI decide to keep that all the way until I'm 80, all of a sudden I'm paying nearly $3100 a month or $37,000 a year to keep five times my initial salary of life insurance. Obviously that's not cost-effective. FEGLI Option B is a good way to get cheap insurance when you're young but as you get older , many people think life insurance is simply for the young, it's not, it has a lot of good options for you whether it's not just protection. It can be a for tax planning purposes, his dad does estate planning purposes. Making sure you will be okay regardless of what happens. Spousal benefit planning. It has a lot of options other than I need coverage in case I die. But in essence if you need excess coverage, Option B is typically a good deal for you when you are younger but as you get older it becomes a very cost-inefficient tool and you don't want to get stuck with it. I have seen some situations, more often than I like to admit, where people get stuck with FEGLI Option B because they are 75 now and they have been paying for it for so long and now it is a lost set of money. Understand now there is an increasing cost and it can get pretty aggressive later in life. The last option you have is Option C . Option C is basically for your family members. For your spouse and each of your children. Again, here is the cost. It increases. Those are the age brackets it increases but you can essentially get one to five times multiples on your spouse in each children. Each of multiple is $5000 for your spouse or $2500 for your children. The most you can get on your child is $12,500. The most you can get on your spouse is $25,000 and that is the cost of it and that is the chart. Essentially, let's do a quick recap. Basic is essentially your salary. Here is the cost of it. Option A is an extra $10,000 and there is the cost. Option B is additional times your salary and it increases every five years. People don't notice the increase that much until you get to 55 because that's when it starts increasing almost exponentially. Option C is your family. What happens when you retire? You have a few different options. You have to decide what will happen to your FEGLI when you turn 65 or retire, whichever is later. You can decide to not reduce your FEGLI at all. Let's say I'm going to keep my basic coverage. I will make $100,000 a year and keep $100,000 of coverage the rest of my life. The cost is equal to basically what was deducted from your paycheck. There is a chart in the cost. It's not a terrible deal. Not the best deal ever seen. It's all right. You can do a 50% reduction which essentially means if I make $100,000 a year I end up with $50,000 of coverage or you can do this 75% reduction which is a popular option for people because essentially what happens is when you turn 65 years old this option to have 75% reduction, or 25% of whatever you are making, is free. Let's say I make $100,000 in a year and I retire at 65. I no longer have to pay for life insurance ever again from FEGLI. But my life insurance policy will drop from $100,000 to $25,000. But I have a free burial policy and at least I get something. If you carry full benefits and multiple benefits of B into retirement at the bottom, it can increasingly cost you. No you have the option to keep it into retirement. What a lot of people do, a significant amount of people keep it for free at 65 and later reduced to 25% of what they work for or keep various multiples. You have a lot of different options at the end of the day. It's important to know what the cost is going to be.

Moving along. We have health insurance and life insurance. Let's talk about long-term care insurance. I think long-term care insurance, whether you decide to take on long-term care insurance or decide to risk it or put your money elsewhere, or if you have enough money to do this are not, every single person I sit with and talk with on a daily basis, this conversation needs to be have and it needs to be looked at honestly. Whether it ends up with insurance or not, it's not important. The important thing is that it needs to be seriously considered. As long as we had considered it, we have done our due diligence long-term care is a very important aspect of life. 70% of people need long-term care at some point in their lives and on average is around $8000-$12,000 per month depending on where you live. In the Washington, D.C. area it's $12,000. In St. Louis it's about $8000. Right now it's expensive and the cost is increasing significantly. Baby boomers are the biggest population in our country and they are starting to retire and get older and approach their 80s. Most people need long-term care when they are a little bit older. The largest segment of our population is starting to go into long-term care. 70% of people need long-term care. It will be a huge strain on the system and the cost is going to skyrocket. It's important to note this is something that can wipe you out and it's important to have picked a federal insurance program. If you want to go the federal route, essentially they have a long-term care insurance policy for you called FLTCIP 3.0 is the technical name of it. Basically the most important thing is the blue box on the right-hand side. What is that? If you cannot perform two of the six things in that box, long-term care? In. Or you have cognitive impairment. If that happens, long-term care could skim. Anyone can apply. Employee or annuitants can apply certain relatives or parents can apply. Spouses as well can use this federal long-term care insurance plan. It is used to help cover care for a qualifying long-term care event. Those in that big blue box on the side. FLTCIP 3.0 is more like the traditional realm of long-term care insurance. If you've seen my other presentations I've talked about there are three different types of insurance out there. There's traditional insurance where you pay a premium and if you go into long-term care or need long-term care the policy pays you but if you never go into long-term care, you lose the money paid into it. There's something called a hybrid plan that essentially combines life insurance in long-term care insurance and there's something called asset-based care which essentially gives you, you earmark a chunk of money at a time and if you go into long-term care it's worth a more but if you don't, whatever money up your markers to your family. This falls into the traditional type. Premiums are not guaranteed so they can go up. You will need to make decisions on how much benefit amount you want on a daily basis and how long you want the benefit to arise and if you want inflation protection are not. And if you want a refund of premium, which can be very attractive to people if you don't use the insurance. Some of it would be refunded to your family after death. We can talk all day about the bells and whistles of these different policies. Everyone is different in what they are looking for but no the federal long-term care insurance is an option you can look at. I will say this. If you are a healthy individual, then looking at incorporating long-term care into an overarching plan is wildly important and there are some good options outside of federal long-term care. However, if you are an unhealthy person and other more traditional-type of policies won't work for you, this could be a good deal for you because other companies may not write you where as since you're covered in a group, you may be able to use this. Check out that website right there, itcfeds.com, which will give you the information you need to know on this type of insurance. And lastly, coming down we have some key things to talk about when it comes to OASDI. Old-age, survivors, and disability insurance. This is Social Security. Social Security was never meant to be your main income stream in retirement. It was insurance if you became old and your spouse died or you became disabled. That is what it was meant for. This is a big piece of it. When we talk about earlier how important it is to have a five-peace plan in your retirement you need to know what your investments are doing you need to have the products that support the four other areas of your life which is where your income will come from, where your healthcare will come from/long-term care, where your tax planning is going to happen, and for your legacy planning is going to happen. How will you leave assets behind? And how will you live your life experiences with the people you care the most about? Leaving that legacy behind? Social Security is a huge piece of the income puzzle, but it can also affect other areas including this legacy for survivor benefits,. Taxes because some of it can be taxed, and the coordination of all of this. Your OASDI is a fancy term for Social Security. The Social Security is cost of living protected. That means the benefit you receive will increase every year. I heard a rumor it will go up 8% this year as a cost-of-living adjustment. They benefit fully accrues when you are 66 or 67 depending on when you were born. Whatever you'd do you decide not to take Social Security it grows at 8% each year. You can claim as early as 62 or 60 if you are widowed and delay it until you are 70. This is a huge piece of the planning of someone's life. There is a lot to the planning here when it comes to your overall life because it's crucial you get this right. It's a benefit that most everybody gets. You can also claim before your full retirement age but know this. This is the key thing you need to know about Social Security. Cost of living protected and you will not outlive it. 66 to 67. If you decide to take Social Security before age 66 and even if you're still working if you make more than $19,000 a year you will not receive all your social security until your full retirement age. Essentially, rule of thumb, if you are working under the age of 66, be very careful and make sure you weigh your options if you decide you want to claim Social Security at the same time because you may not receive some of that Social Security. A huge benefit of the Social Security benefits in general here are three key things. One, spousal benefits. If you die, your spouse is entitled -- let me restart. I got ahead of myself. Your spouse or your ex-spouse is entitled to half of your benefit or 100% of their own benefit, whichever is higher. You have a significant income difference between spouses, this will come into play for you. Another thing you need to know is it has a death benefit. Whoever the surviving spouse or ex-spouse is entitled to 100% of your benefit or 100% of their benefit, whichever is higher. Let's say I'm making $2000 a month in Social Security and my spouse is making $3000 and my spouse dies. My $2000 will come up to $3000 we were talking about how to coordinate survivor death benefit of your Social Security with your survivor benefit of your pension and other things, your federal benefits. This is a key piece to coordinate. Third is taxes. A lot of people are under the assumption that Social Security is tax-free. Up to 85% of it tax. In many cases because of your strong pension and a lifetime of saving in traditional TSP, 85% of your benefits will be taxed as ordinary income. Less money you make, the less is taxed by Social Security. It's a sliding scale and a weird thing but remember investment income healthcare income, legacy, it's all connected. Social Security can be an income for you. It can be a legacy plan because of the survivor benefit. It can be a tax benefit for you if you could figure out how to make it tax-free or a detriment because it's taxable and jumps you into a taxable tax bracket. Or it can help you with health care and long-term care in certain situations. Again, it's all connected. That is your Social Security benefit.

The last thing I want to talk about when it comes to the federal insurance programs is this thing called the Social Security supplement. This is not apply to everybody. It only applies to certain people. In order to receive this thing called the Social Security supplement. This is what happens. If you retire before 62 years old, the equivalent of your Social Security accrued from your years as federal employee is paid to you until you are 62. Let's walk through that. To be eligible you have to be eligible for an immediate annuity. You bust dough she must have worked 30 years and gotten to minimum retirement age or you've had to be 20 years of service and 60 years old. Those are the only people that could qualify for this added benefit. Essentially what happens, let's use the most common example where this is used. Let's say I'm 58 years old and that's my minimum retirement age and I've been working for the federal government for 30 years. I can retire and receive my full pension and from the age of 58 through 62 I will also receive what is deemed as a Social Security supplement, which is essentially Social Security for four years until I turn 62. Once I turn 62 the supplement goes away. I no longer get the supplement. At that time I can choose to start regular Social Security or I can delay my regular Social Security and watch it continue to grow. Basically at the end of the day what happens? If you work for the federal government long enough, and you retire before eligible for Social Security, they will pay you an extra benefit until you are eligible for Social Security. That's what this is. You have to be MRA +30 or 20 and 60 to take advantage of it. Once you are 62 the extra benefit goes away and you have the option to turn on Social Security or you don't have to turn on Social Security. It's your call. You want to know what your supplement will be? Takes your years of credible service and subtracted by 40 and times it by your benefit at 62. That is your estimated Social Security supplement.

So, as I'm nearing the end of the presentation I'm going to flip back soon and answer some questions. That's it. Those are the five types. I'm going to come back here and see if I can go here and say there are types of federal insurance coverage. I'm going to do a quick recap. If you did not pay attention at all, now is your time to get the high level cliff notes. Or if you were confused because there was a lot of information. Federal employee health benefits. The key thing here is health insurance. What you need to know is to keep it into retirement you have to be on it five years before you retire. In order to keep it for the rest of your life if you want your spouse to keep the same benefit the rest of your life, you have to select a survivor benefit annuity. You have the option to supplement Medicare with that if you choose but you don't have to. FEGLI pick federal employees group life insurance. It's life insurance and has no cash value. Whatever the benefit is goes to your family. Most of us have FEGLI Basic which is one times your salary essentially pick if you want extra multiples you can but there is an increasing cost every five years and if you hold that into retirement the cost continues to increase almost exponentially for many years to come. You have the option for long-term care insurance. This is a purchase and it's called FLTCIP. It's a traditional insurance policy. The premiums are not guaranteed . However if you are unhealthy, this will be more beneficial to you because the insurance is easier to get if you are unhealthy through a group like the federal government. The other type is something everybody gets called OASDI. That is your Social Security. Like a pension and will be paid for your whole life and its cost-of-living adjusted you can take it as early as 62 or as late as 70. If you take it before the full retirement age of 66 or 67 and you are working, there is a carveout you can leave this in a bit behind to your spouse if it's higher than your spouse's, and is 85% taxable income. And if you have reached 30 years of service and you are minimum retirement age or 20 years of service and you are 60 and you decide to retire, the federal government will give you a supplement until you hit age 62. Once you hit 62 the supplement goes away. At that point you have the option to turn on Social Security or wait. That's the recap. A couple things real quick. In the summary. I had a beautiful summary slide and I went all the way back to the original one.

Here are some resources for you. A lot of the details behind what I said are all there on the left-hand side from OPM. If you have questions or if you want any of our health or services or you need to talk with me or another expert, go to that website. You can book an appointment or send us a question and we will answer it as timely as we can. Our nonprofit is available to you and our resources are available to you. We are leaders. We don't want to give advice. We want to lead you and help you handle and chew on this. There is a lot that needs to be chewed. In addition the EAP has a lot of great resources for you. I will let Cynthia discuss that now.

Yes. Thank you, Andrew. If you would like more information on this topic or other health and wellness topics, give EAP a call. We are 24/7 and also online at FO age for you.com. The EAP is completely confidential and it will help you work through any sort of personal, work-related, legal, or financial issues. I also want to remind everyone the recording transcript and copy of the slides, which includes the certificate of attendance at the end will be emailed to you within 24 hours following today's session. As well, all of today's content will be available on the website in about two weeks. As a reminder when you exit the webinar you will be able to see a satisfaction survey so please let us know how we did today. We do read your comments after each webinar. We work to make adjustments based on your feedback so we really appreciate your filling out the survey. Andrew, I guess we will go back to the previous slide so we can point out all the wonderful resources here. Andrew puppets website, the Institute for financial education, which is the top on the right and then I will now handed back to Andrew to answer some of the questions that came in.

Okay. Thank you very much, Cynthia. I am pulling them open now. There are quite a few questions. Hopefully I get to yours during this time. This is a question I get a lot if I retire from the federal government and continue with FEHB and do not take Medicare Part B and decide later on you want Medicare Part B years later MI subject to the penalty? If you don't sign up for Medicare Part B when you become eligible, you become eligible at age 65, or pass 65 when you retire. You can keep your insurance until you retire and then hop on. If you don't let's say you completely retire and do not sign up for Medicare Part B and six years later you decide to drop your federal insurance and then sign up for Medicare Part B you could be subject to a penalty for signing up for Part B because you are essentially using private insurance at that point since you are no longer employed.

A question I get is what is an annuity and does immediate annuity mean?

The annuity is basically a pension. When I say annuity or immediate annuity it's your pension. Let's say you make $100,000 a year every year and you work for the federal government for 30 years and you retire. The government will pay you $30,000 a year for the rest of your life. That is your pension or annuity. It's the same thing. The immediate part of it means you have reached a minimum retirement age are minimum retirement qualifications. If I work five years for the federal government and retire at the age of 30, I'm not entitled to my pension for another 30 plus years. That would be a different immunity. An immediate annuity would be a retire at age

62 and the next day, or eight months later the way OPM is right now, you will receive your annuity. All right.

There are a bunch of questions that are more specific so I will try to clear something up. The key thing to keeping your federal health benefit in retirement is, one, you have to have been on it five years before you retire and two, if the ocean there is a difference between a postponed retirement and a deferred retirement. Basically if you are eligible to postpone your retirement, which means you have reached the qualifications to receive a full retirement, but you postpone it until your full annuity is available then you can keep your federal health insurance benefits. But if you do for your annuity and take it before it's completely accrued, you cannot get your federal health insurance benefit. That gets really confusing and it gets really hard to explain because there is a big difference between the word postponement and deferment. But if that's a situation that you find yourself involved in, let us know. Send me an email. I have a good resource to explain the difference between the two. But it gets quite confusing. The key between all of it is if you meet those requirements 30 years plus your minimum retirement age or at 20 and 60 and you postpone until 62, you can still get your health benefit. I wish I could make that more clear but it's a pretty muddy situation.

Here is a good question. Two of questions. Good questions, everyone for when does Medicare Part A become free? Age 65. You sign up at age 65. It's free. You literally pay for it your whole life. That is the Medicare tax you pay on your paycheck every single month or every two weeks at age 65 Medicare Part A is free. When you turn 65 or are there any additional requirements? No. Reread the same question. When you are 65 you sign up for Medicare Part A and it's free . As long as you are employed you technically don't have to pick when you retire you want to sign up for Medicare Part A. Even if you keep the FEHB you want to sign up for Medicare Part A.

Do insurance switches and open season work the same way in retirement? Essentially, yes. Does one keep the insurance plan that one retires with? During open season you have the option as a retiree to change stuff around. That's good news. If you choose to enroll in Medicare Part B do you still have to pay for FEHB monthly? Only if you decide to keep FEHB but yes . If you enroll in Medicare Part B , you're not going to keep the Cadillac plan of FEHB . If I were a federal employee and I decide to go into Medicare Part B , I would dumb my FEHB down to the bare minimum just to cover that 20%. If I'm still working -- sorry, I'm trying to read this. It's a long question. I am still working and planning on working after 65-years of age. Do I have to sign up for A or B? You do not have to sign up when you are still working. When you do retire you do need to sign up for Medicare Part A. It's free. And Part B is completely optional depending on what you want to do. Do disabled veterans who do not retire have access to TRICARE? Depending on how many years of service you had? Yes. There are some TRICARE benefits there. Okay. This is a great clarification question. Basically it's saying if you sign up for the five year service. For federal health insurance, does your spouse need to be on for five years? No. Your spouse can be added after retirement. The employee, you, that is the most important person. Let me switch. There are still some medical questions but I want to get to these other areas of questions, as well in the interest of time and exposure to different areas. As pay increases does the cost increase for FEGLI? The cost of FEGLI is per $1000 . As your pay increases, you obviously received more income or more FEGLI, therefore the cost will increase . Is FEGLI providing coverage under any circumstance or only when you lose your life during actual work? Yes. Anything. Literally anything. Inside work or outside of work. FEGLI will cover it. This person said, for example, skydiving. Yes. If you went into a skydiving accident. Can you only choose one option or can you do a combination of B and C? You can do any combination you want. The next one is can I enroll in FEGLI at any time? You have the option to enroll in FEGLI during a key, if you key moments in your life. A life-changing event. Basically you get married and you can add spousal coverage? Someone dies, you can change your coverage. Or you have a kid or something. Otherwise you have to wait until the open enrollment period to add any coverage for the open enrollment periods are on pace to come around once every 20 years. I think there was one in 2016 and the one before that was 2001. This is a question I get a lot. Is it worthwhile to keep basic FEGLI if you have life insurance outside of FEGLI? I think so. Once you turn 65 it's free. It doesn't cost anything. Is not overly expensive right now for extra coverage. And when you are 65 is a free policy the rest of your life to bury you or whatever. We talked about the open season. Here's a great question. This may be my last question and then I have to go because time is running out. At what age should you start thinking about long-term care? What the retire from the government are not, can you to get with you? It's never too early to talk about long-term care. I'm 37 years old and I have my long-term care completely paid for. It's done. I don't have to worry about it ever again as long as I live. Most people wait a long time but I don't think it's too early to start considering long-term care because of the cost benefit and setting your financial plan up with some intention. I will say that.

Time is up. The hour is up on my end so I got to 90% of the questions, which is good. Thank you for coming, everyone. Cynthia, do you have anything else?

I want to thank you again for imparting this wonderful information and advice. We will go ahead and conclude our webinar today. And if we did not get to your question or you have additional concerns come up, please give EAP a call. You can speak with one of our EAP consultants who can help you with your specific situation. Thank you, again, Andrew, for presenting today and I want to thank everyone else for taking time to be here and be with us today. Have a wonderful rest of your day. [Event Concluded]