FINANCIAL EDUCATION WORKSHOP SERIES

Health care in retirement

Three important retirement questions

How will you pay for health care?

When will you claim Social Security?

How will you generate income?

Considerations for calculating your retirement health care costs

Health care can be one of your largest retirement expenses

When will you retire?

How long will you live?*

Does your plan account for rising health care costs?

Can you keep your current doctors after you retire?

*Based on Society of Actuaries RP-2014 Mortality Table projected with Mortality Improvements Scale MP-2020 as of 2022. Healthy annuitants group is used as mortality group.

How much will health care cost you during retirement?

The average person retiring at the age of 65 will need

$172,500
total

or

$599
per month

to cover health care expenses in retirement[1]

[1]Estimate based on individuals retiring in 2024, 65-years-old, with life expectancies that align with Society of Actuaries RP-2014 Healthy Annuitant rates projected with Mortality Improvements Scale MP-2020 as of 2022.

Covering your expenses

Covering your expenses in retirement

Essential expenses

- Groceries
- Utilities
- Health care

Reliable income

- Regular paycheck
- Social Security
- Annuities

Use **reliable income** to cover **essential expenses**

Discretionary expenses

- Entertainment
- Trips
- Hobbies

Variable income

- Market-based investments
- Part-time work

Use **variable income** to cover **discretionary expenses**

Hypothetical example for illustrative purposes only.

Retiring before you're eligible for Medicare

Options for bridging the gap to Medicare

	COBRA Continuation	Spouse's Health Plan	Public Marketplace	Private Insurance
Target audience	Former employees	Eligible spouses/partners of covered employees	Anyone	Anyone
Considerations	Few employers subsidize COBRA; you may pay the full cost of the coverage	Not all employers offer this benefit; special rules or surcharges may apply	You may qualify for federal assistance based on your income	Your former employer might provide a reimbursement account that can be used to help you afford the cost of these plans

 Hypothetical example for illustrative purposes only.

What is Medicare?

The differences between Medicare and Medicaid

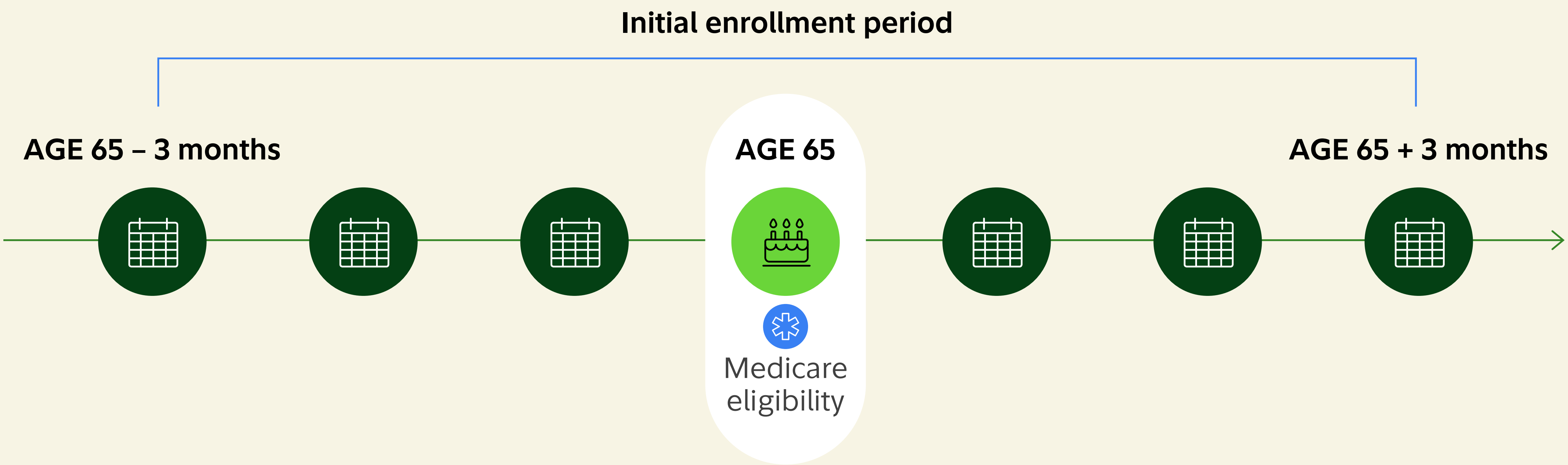
Medicare

- Federal program
- Provides coverage if you're 65 or older, regardless of income
- Paid for through two trust fund accounts

Medicaid

- State and federal program
- Provides coverage to people with low income, regardless of age
- Jointly funded by federal and state governments

Medicare enrollment considerations



It's important to enroll in Medicare on time, to avoid coverage delays and potentially lifelong penalties.

For more information, please visit Medicare.gov

What does Medicare cover?

Different parts of Medicare cover different services

PART A

Your hospital insurance

- Generally no premiums, but an annual deductible
- May need to pay a portion of extended hospital or nursing home stays

PART B

Your medical insurance

- Monthly premium, based on income
- Annual deductible, and some copayments
- If collecting Social Security, Part B coverage cost is deducted

Part D: Prescription drug coverage

PART D

Prescription drug coverage

- Prescription drugs are not covered in Parts A and B, or Medicare Supplement plans
- May be covered elsewhere, or by Medicare Advantage
- Consider enrolling when eligible, even if healthy

Medicare Advantage Plans (aka "Part C")

PART C

Medicare Advantage Plans
Available through private insurance companies approved by Medicare

- ✓ Includes Part A and Part B coverage
- ✓ Plans may provide vision, hearing, and/or dental coverage
- ✓ Some plans offer prescription drug coverage

What are Medicare Supplement plans?

Medicare Supplement Plans (aka Medigap)
Supplemental coverage for Original Medicare

- ✓ Private insurance
- ✓ May cover out-of-pocket Medicare expenses
- ✓ Premium costs vary widely between insurers

Adding insurance to Original Medicare

2 main options for purchasing additional insurance

Unbundled:

- ✓ Supplemental insurance, covers gaps of Part A and Part B
- ✓ Additional coverage available through a Medicare Supplement plan

Bundled:

- ✓ All-in-one approach, joins Part A and Part B coverage under a single policy
- ✓ Available by purchasing a Medicare Advantage (Part C) plan

Introducing Fidelity Medicare Services®

Fidelity.com/TalkMedicare

Impartial guidance

from Fidelity's licensed insurance agents who specialize in Medicare

Including:

- ✓ Complimentary guidance
- ✓ Help making personalized choices
- ✓ Year-over-year support once enrolled

Consultative conversations about your situation

Comprehensive coverage

from vetted, high-quality insurance companies

Including:

- ✓ Medicare Advantage
- ✓ Medicare Supplement (Medigap)
- ✓ Part D prescription plans
- ✓ Stand-alone vision and dental plans
- ✓ Travel health insurance

Help selecting a plan that addresses your unique needs

Digital tools

and resources to get educated or self-serve

Including:

- ✓ Online shopping and enrollment
- ✓ Webinars and learning guides to answer common questions
- ✓ And much more...

Tools available at Fidelity.com/TalkMedicare

Personalized help with your Medicare decisions

Guidance and support at every stage of your journey

Ready to make Medicare decisions

New to Medicare

At least 64 years old (or younger, if enrolling early due to certain medical conditions or disabilities)

65 or older and retiring within 12 months

Already on Medicare

Compare options during the Medicare Annual Enrollment Period
(October 15 – December 7)

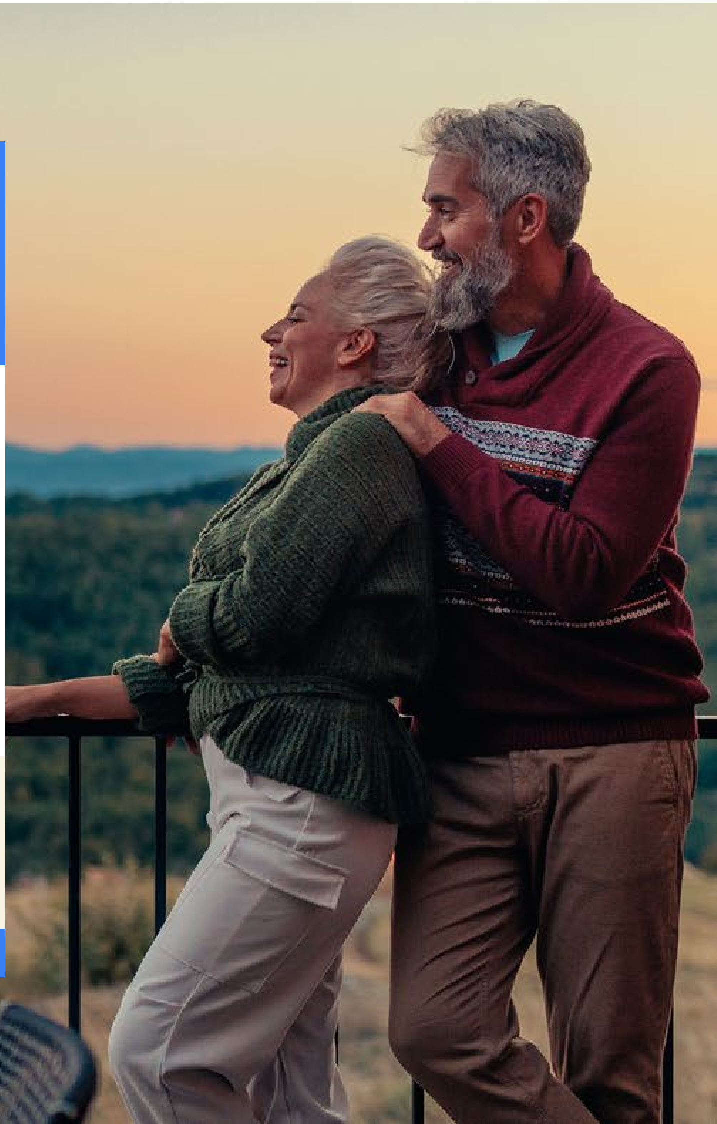
Change plans outside of the Annual Enrollment Period due to special circumstances
(for example, moving to a new Medicare service area)

Planning ahead

More than a year away from Medicare eligibility

Under 64 years old, interested in learning about Medicare for planning purposes

Explore educational resources and guidance tools on our website



How to engage with Fidelity Medicare Services

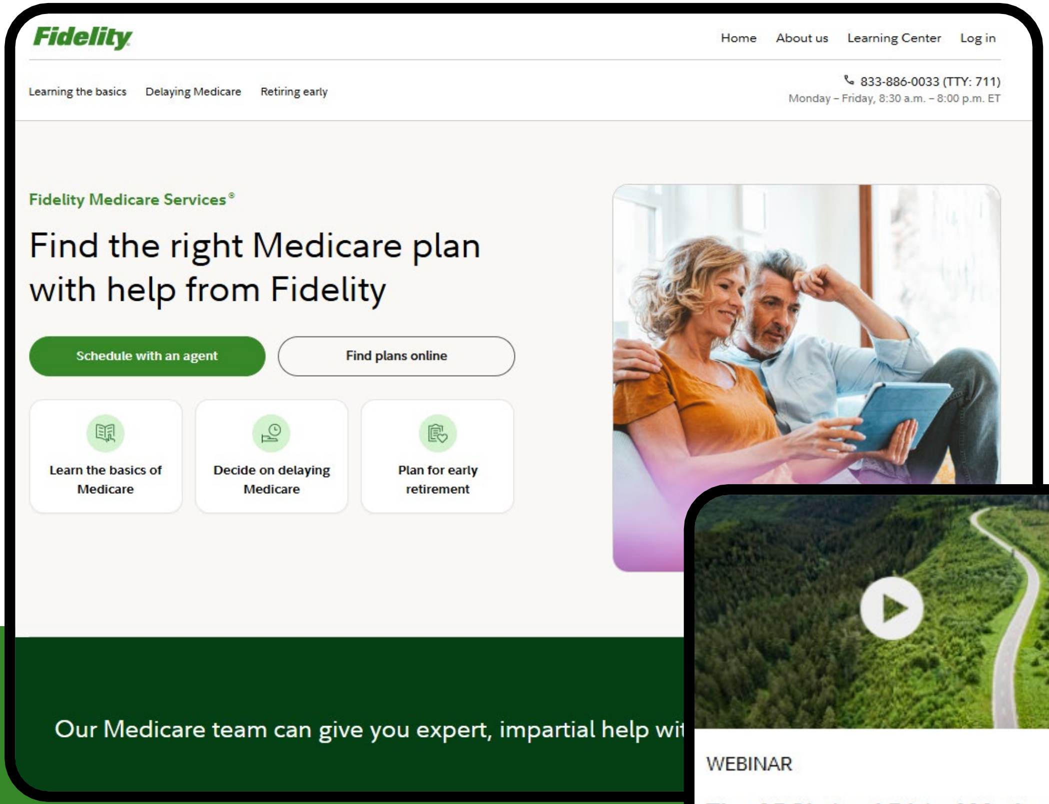
View **educational resources** and pre-recorded webinars in our [Learning Center]

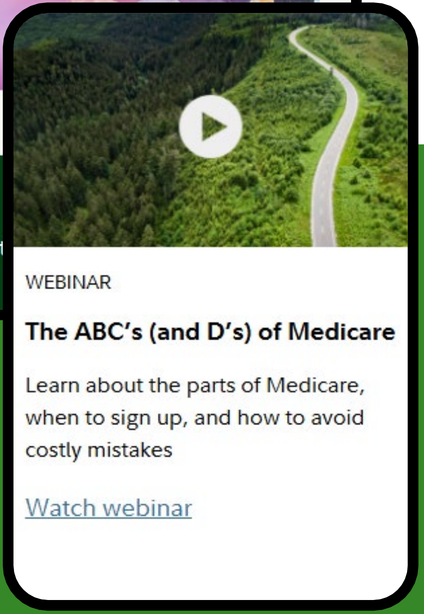
Attend a **live webinar** about Medicare

Call our team directly:
833-886-0033
Monday – Friday,
8:30 a.m. – 8:00 p.m. ET

Schedule an **appointment** with a licensed insurance agent at Fidelity: [Fidelity.com/TalkMedicare]

Shop plans and **enroll** independently through our website





Elder care

Different types of elder care have different costs

Nursing home care	Home care	Assisted living
Private room costs:	**Provider costs:**	**Facility costs:**
$350 daily	$214 daily	$194 daily
$127,750 annually	$77,792 annually	$70,800 annually

 Source: CareScout® Cost of Care Survey, December 2024

Acute vs. Long-term care

	Active care	Long-term care
Who may need it	Anyone	Primarily the elderly and those with disabilities
Sources of care	Hospitals, outpatient clinics, physician offices, physicians, nurse practitioners	Skilled nursing homes, assisted living facilities, group homes, home care providers, nurses, therapists, paraprofessionals
Reason for care	Acute conditions, infections, diseases, accidents	Functional limitations due to chronic conditions, recovery process, or permanent disability
Goal of care	Treatment and cure	Functional improvement through therapy and/or ongoing assistance with functional limitations to achieve the highest quality of life possible
Payer	Medical insurance, Medicare, Medicaid, the Veterans Administration	Private pay, Medicare (in very limited, specific situations), Medicaid, long-term care insurance, Veterans Administration, Veteran's benefits and pensions, some employer-provided medical insurance

 Hypothetical example for illustrative purposes only.

Factoring long-term care into your plans

Long-term care insurance

Helps pay for needs not covered by health insurance, Medicare, and Medicaid

- ✓ Home care, assisted living, adult daycare, and respite care
- ✓ Hospice, nursing home, and Alzheimer's facilities

Paid on a continual basis

- ✓ If unused, no premiums are returned
- ✓ Higher premiums if you wait until retirement age to purchase

Planning for health care costs and coverage in retirement

Health savings accounts can help you prepare for medical expenses

Tax-advantaged savings account

Set money aside for health care

Can be tax free if used for qualified medical expenses*

*With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation. See your tax professional for more information about the state tax implications of an HSA.

Four ways to use an HSA in retirement

Bridge to Medicare

Cover Medicare premiums

Long-term care expenses and premiums (subject to limits)

Pay everyday expenses

Review

Review

Health care decisions as retirement approaches

5+ years until retirement

Understand the basics of Medicare

↓

Estimate your health care expenses and start saving

↓

Consider where you'll need health care coverage

2 years until retirement

Solidify your plan for health care coverage, especially how you intend to pay for it

6 months until Medicare eligibility

Get ready to enroll

↓

Don't miss the Medicare enrollment window

Retirement

Next steps

Visit the planning tools on **NetBenefits.com**

Review the **resource guide**

Call for help: **800-603-4015**

Disclosures

Investing involves risk, including risk of loss.

This information is intended to be educational and is not tailored to the investment needs of any specific investor.

All screenshots are for illustrative purposes.

[1]Estimate based on a single person retiring in 2025, 65-years-old, with life expectancies that align with Society of Actuaries' RP-2014 Healthy Annuitant rates projected with Mortality Improvements Scale MP-2020 as of 2022. Actual assets needed may be more or less depending on actual health status, area of residence, and longevity. Estimate is net of taxes. The Fidelity Retiree Health Care Cost Estimate assumes individuals do not have employer-provided retiree health care coverage, but do qualify for the federal government's insurance program, original Medicare. The calculation takes into account Medicare Part B base premiums and cost-sharing provisions (such as deductibles and coinsurance) associated with Medicare Part A and Part B (inpatient and outpatient medical insurance). It also considers Medicare Part D (prescription drug coverage) premiums and out-of-pocket costs, as well as certain services excluded by original Medicare. The estimate does not include other health-related expenses, such as over-the-counter medications, most dental services and long-term care.

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