

FINANCIAL PERSPECTIVES

TIMELY INSIGHTS EXCLUSIVELY FOR CLIENTS OF RAYMOND JAMES ADVISORS



Great questions, great conversations

Find the right words to connect with loved ones and capture their stories

An old family secret you're finally ready to know. The wisdom of your elders. The story about that time grandma's brother caught an alligator and left it in the tub. If you have the courage to ask, you never know what you might discover about your nearest and dearest.

As you gather with loved ones for the holidays, think about preserving their memories and life lessons through oral histories. Here we've gathered some questions that can lead to meaningful conversations about family and values, along with tips to get you started.

Maybe there's someone close to you who has lived an interesting life. Or perhaps you'd like to preserve the memories of an elderly family member. Start with a short list of VIPs whose history you'd like to capture.

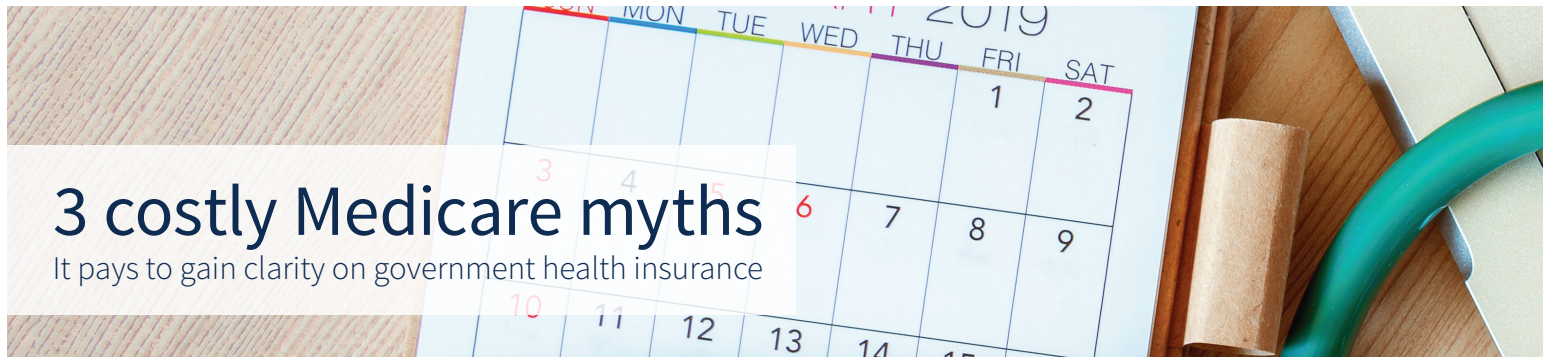
Next, consider whether you'd like to interview them one-on-one or conduct a family gathering interview. Then arrange a time and place, and select questions that will get your loved one talking.

8 GREAT QUESTIONS

1. What's your favorite place to visit in the world?
2. Are there any funny stories you want to tell me about?
3. What was the happiest moment of your life?
4. What are the most important lessons you've learned in life?
5. What do I need to know about our family's medical history that could affect my health?
6. Tell me about some traditions that have been passed down through our family. When and how did they get started?
7. How would you like to be remembered? (You can use this to spark a discussion about end of life wishes.)
8. Is there anything you have always wanted to tell me but never have? (You can use this as a jumping off point for practical considerations, such as where estate planning documents are kept, or long-term care arrangements.)

Continued on the back page





3 costly Medicare myths

It pays to gain clarity on government health insurance

When it comes to Medicare, what you don't know can cost you. This complex program covers the bulk of your health expenses after age 65 – and as healthcare costs in the U.S. continue to rise, the value of these benefits increases. So much so that by the year 2055, the cumulative lifetime benefits for the average 65-year-old are expected to be higher for Medicare than Social Security, according to 2015 research by the Urban Institute.

As we near Medicare Open Enrollment (October 15 to December 7), we are dispelling some myths to keep you from being blindsided by costs and penalties. Also, know that you can turn to us if you need help deciding on a plan – we have tools that can help you make an informed choice about care and estimate your future medical costs.

MYTH 1

Medicare covers it all.

For starters, Original Medicare does not cover dental, vision or hearing. However, some Medicare Advantage plans include this kind of coverage, so shop around. Also not covered by Medicare parts A and B: most cosmetic surgery, overseas medical care, long-term care and some types of diabetes supplies. To explore what is covered, go to Medicare.gov and click on the “Medicare & You” handbook.

TAILORED FOR TRAVEL: Nancy, a healthy 65-year-old retiree, spends months traveling in the U.S. and overseas to visit family. Because she's on the go, the plan that fits her is Original Medicare plus a

supplemental Medigap policy. This allows her to see any doctor, hospital or provider that accepts Medicare in the U.S., and when she's overseas her Medigap policy covers her.

MEDICARE MATH

On average, **MEDICARE COVERS 62% OF HEALTHCARE COSTS**

Source: Employee Benefit Research Institute

MYTH 2

Medicare costs the same for everyone.

If you have a higher income, you'll pay more for Medicare Part B. If you're single with an income above \$85,000 (or married with an income of more than \$170,000), your premiums will be higher than the standard rate. What many don't realize is that the income earned at age 63 helps determine what they pay for Medicare at age 65, thanks to the Income Related Monthly Adjustment Amount (IRMAA) charge.

CAREFUL ON THE CUSP: Al, an executive at a shipping company, had an adjusted gross income that was right on the cusp of an IRMAA threshold. As he approached age 65, Al's advisor worked with him to defer income and avoid large capital gains as part of his financial plan. When he enrolled in Medicare at 65, Al was just under the threshold, saving him a significant amount in Part B premiums.

MYTH 3

It doesn't matter when I enroll.

This myth could cost you big. Missing your initial seven-month enrollment period that begins three months before your 65th birthday can in some cases lead to a lifetime penalty. For many, it's easy to overlook. That's because if you're not yet receiving Social Security benefits when you hit age 65, you will not receive any official notice on when or how to enroll.



CONVERSATION STARTERS Timely to-dos for pursuing a life well planned.

\$519 The average back-to-school spending per student in 2019, up from \$510 in 2018, for an estimated total of \$27.8 billion.

Source: Deloitte

MARK YOUR CALENDAR

If you itemize, take note that New Year's Eve – Tuesday, December 31 – is the year-end charitable gift deadline for check and wire transfers. It's also the last day to take 2019 required minimum distributions for those who turned 70½ before 2019.

OFFICE CLOSINGS

The office will be closed on Thursday, November 28, for Thanksgiving and Wednesday, December 25, for Christmas. You can always check in on your account online via Client Access.



THE SHRINKING PART D DONUT HOLE



The majority of Medicare drug plans have a coverage gap, known as the donut hole, which is slowly being phased out.

For example, seniors in 2018 whose drug costs exceeded \$3,750 in a year had to pay 35% of the cost of brand-name drugs and 44% of the cost of generics thereafter, instead of the usual 25%.

As of 2019, this hole is closed for brand-name drugs, but the donut hole for generic prescriptions will remain until 2020.

Source: Kaiser Family Foundation

For every 12 months you delay, you'll pay 10% more in Part B premiums. One exempt group: those who have group coverage through a current employer (yours or your spouse's). If you have qualifying coverage already in place, you may be able to wait for a special enrollment period that extends to eight months after the employment or coverage ends – but it's a good idea to ask your employer whether they require you to enroll in Medicare at 65.

This penalty may also apply to Part D prescription drug coverage as well. If you have no comparable drug coverage from elsewhere (such as from an employer) and if you don't enroll in a Part D plan when you're first eligible, you risk permanent late penalties when you do sign up. When you take no or few medications, paying monthly premiums to a Part D drug plan can seem like a waste. But to avoid a penalty, you may want to consider a compromise like picking the Part D plan with the lowest premium in your area.

STING OF A LATE PENALTY: At her 65th birthday, Martha was employed and covered by her firm's health insurance, so she didn't sign up for Medicare. Six months later, she was laid off and chose to keep company health insurance under COBRA. Once she was no longer employed, she wasn't exempt from Medicare late enrollment penalties.

When she finally enrolled in Medicare two years after her layoff, she was assessed a late-enrollment penalty of 20% of the Part B base premium – which she will pay for life.

Medicare rules are complex. The good news is that there is some flexibility for those enrolled. You can make changes each year during Open Enrollment, and Medicare.gov encourages enrollees to review coverage each fall to make sure you're in the plan that best fits your life.

NEXT STEPS

- Speak with your advisor about your projected health-care costs as a retiree and how they will impact your retirement income.
- Learn about your options through sites like Medicare.gov and determine whether you need to enroll when you turn 65 to avoid penalties.
- After enrolling in Medicare, review your policies each year to ensure your coverage fits your needs and ask your advisor about tools that can help.

Source: Medicare.gov

INVESTING WELL

If you own mutual funds in a taxable account, don't forget about important capital gains distribution dates that typically fall in mid-December.

LIVING WELL

As your family gathers for the holidays, think about your legacy planning and whether you'd like to start a tradition of giving back alongside your loved ones.

PLANNING WELL

Medicare Open Enrollment begins October 15 for parts C and D. Be sure to make any changes by December 7.

Great questions, great conversations (cont.)

SETTING THE STAGE FOR A LIFE STORY

Once you've chosen your questions and you're in a quiet and comfortable place to interview, begin your video or audio recording (hint: you can use a smartphone app like Evernote to record audio). Start by stating the date and the name of the person you're interviewing. Then begin with lighthearted questions to break the ice.

If your family member is not exactly chatty, you might need some cues to get the conversation going. You can break out old family photo albums that might spark memories. Or make it a game: you can buy card decks with questions to ask family members and grandparents, or you can use an app like Conversation Starters.

“If we take the time to listen, we’ll find wisdom, wonder, and poetry in the lives and stories of the people all around us.”

– DAVID ISAY, founder of StoryCorps

SHARING TREASURED MOMENTS

Once you've captured the interview, ask your subject if they'll allow you to share it with other members of your family such as children or grandchildren. You might even consider using the StoryCorps app, which allows you to upload your recording to their archive at the Library of Congress, which is full of interviews about the lives of everyday people.

Now that you have momentum, you can keep the conversation going all year with digital tools such as Skype and FaceTime. If you can't find time for a call, try a virtual family reunion via a private Facebook page where everyone invited can share old photos, videos and memories. You could even use a service like StoryWorth, which emails a question a week to the recipient you choose and compiles a year's worth of responses in a keepsake book.

Client Access: Anytime, Anywhere

Use Client Access to easily view and manage your accounts your way, when it's most convenient for you. To see an interactive demo, go to RAYMONDJAMES.COM/CLIENTACCESS/DEMO.



THE QUEST FOR MORE QUESTIONS

For more ideas on what to ask, try the sample questions on one of these sites:

- STORYCORPS.ORG
- ANCESTRY.COM
- GENEALOGY.COM



With a little effort, you can turn the stories of the people in your life into treasured keepsakes – portable insight that can be passed along from generation to generation. In the words of StoryCorps founder David Isay: “If we take the time to listen, we’ll find wisdom, wonder, and poetry in the lives and stories of the people all around us. ... We all want to know our lives have mattered and we won’t ever be forgotten.”

NEXT STEPS

- After these conversations on family values, talk with your advisor about how you can incorporate your values into your financial plan.
- If these family conversations get you thinking about your estate and legacy planning, follow up with your advisor to take action in a coordinated way.
- Consider including your advisor in your next family meeting as a neutral third party who can facilitate a discussion about family legacy or charitable giving.