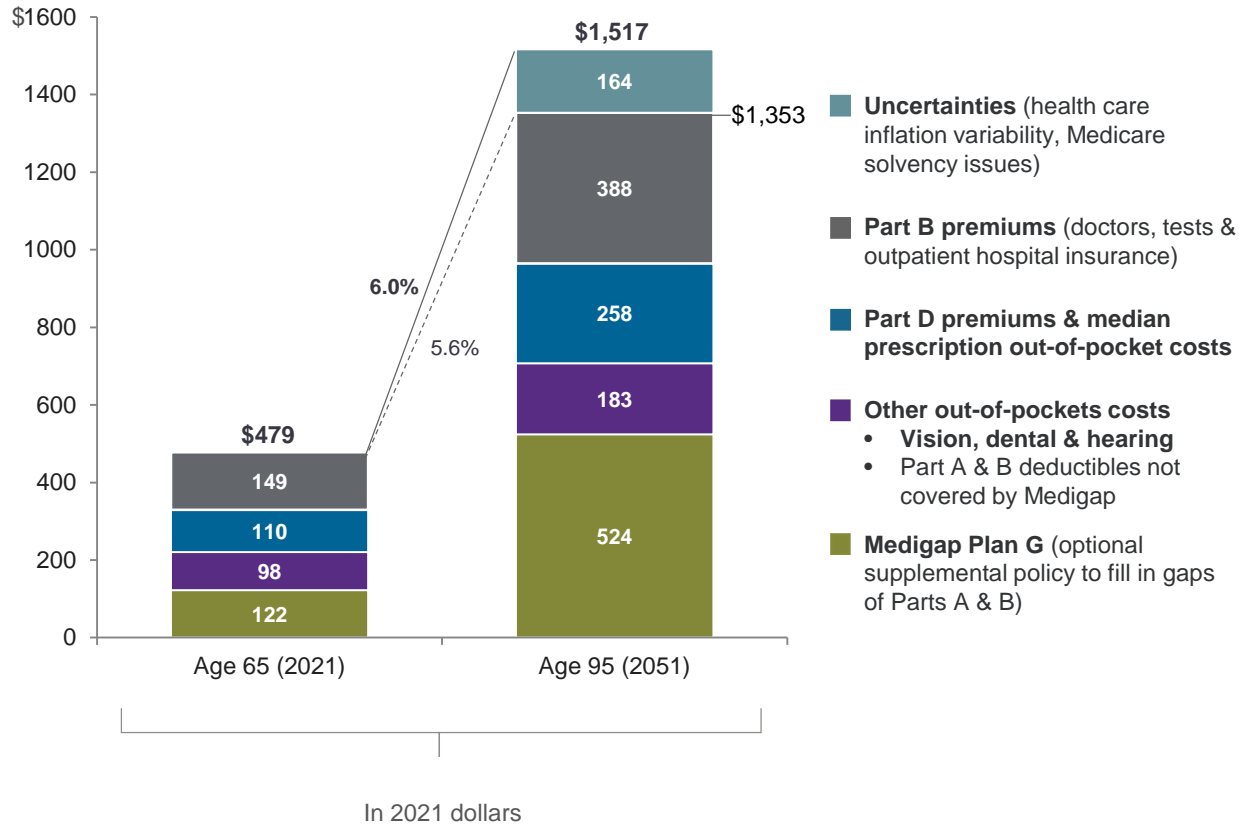


Original Medicare costs in retirement (in 2021 dollars) Monthly amount per person



A GROWING CONCERN

Annual expenses per person in 2021 are \$5,740.

Given variation in health care cost inflation from year to year, it may be prudent to assume an annual health care inflation rate of 6.0%, which may require growth as well as current income from your portfolio in retirement.

- **Uncertainties** (health care inflation variability, Medicare solvency issues)
- **Part B premiums** (doctors, tests & outpatient hospital insurance)
- **Part D premiums & median prescription out-of-pocket costs**
- **Other out-of-pockets costs**
 - Vision, dental & hearing
 - Part A & B deductibles not covered by Medigap
- **Medigap Plan G** (optional supplemental policy to fill in gaps of Parts A & B)

Estimated future value total median monthly cost at age 85 is \$2,747. Today's dollar calculation used a 2% discount rate to account for overall inflation. Medigap premiums typically increase with age, in addition to annual inflation, except for the following states: AR, CT, MA, ME, MN, NY, VT, WA. For options available in other states, contact the State Health Insurance Assistance Program (SHIP) <https://www.shiptacenter.org/>. Plan G premium is nationwide average for non-smokers. If Plan G is not available, analysis includes the most comprehensive plan available.

Source: HealthView Services proprietary data file received January 2021, used by permission. 2019 Consumer Expenditure Survey, latest available data as of December 31, 2020, J.P. Morgan analysis.