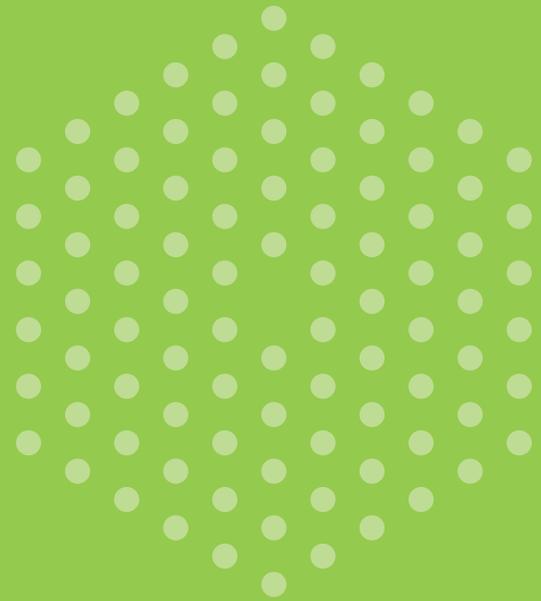




# Retirement Insights

Put Your Future Health Care Expenses in Focus



# Planning for your financial future? Consider health care in your calculations.

Studies find that retirees' expenses decrease as they age – with the exception of health care costs.<sup>1</sup> Why? Because the cost of co-pays, deductibles, wellness visits, prescriptions, exercise, and eating well are only part of the equation. As people age, their health can change, leading to additional and increasing health care expenses.

## Senior Health by the Numbers



2 out of 3 adults older than age 65 have two or more chronic conditions and need coordinated care.<sup>2</sup>



The average Medigap Plan G monthly premium for additional health insurance costs not covered by Medicare in 2023 for beneficiaries at age 65.<sup>3</sup>



The standard monthly premium amount for Medicare Part B.<sup>4</sup>

## Preparation Is Key

As a general rule, one should set an expected retirement spending target of 70% of the estimated (after-tax) income they're receiving pre-retirement.<sup>5</sup>

### Perception



**80% of workers** are confident they will have enough money to cover medical expenses during retirement.<sup>6</sup>

### Reality



**Only 57%** of American workers have \$25,000 or more in savings and investments.<sup>7</sup>



### The Cost Concern Is Real

The average annual premiums in 2022 were \$7,911 for single coverage and \$22,463 for family coverage, a 43% increase from 2012.<sup>9</sup>

### And With Good Reason

Retirees often say that health care costs are greater than they anticipated.<sup>5</sup>



A retiring 65-year-old couple may need an average of \$315,000<sup>8</sup> to cover medical costs throughout retirement.

## How to take control over health care costs in retirement

1. Take preventive health care seriously by eating well, exercising daily, minimizing alcohol consumption, and avoiding tobacco.
2. Factor health care costs into your overall retirement picture, and plan for the unexpected. Use our Future Income Planner to get a snapshot of your income needs at [brighthousefinancial.com](https://brighthousefinancial.com).
3. Explore alternative ways to help fund future health care expenses, including:

### **Brighthouse Financial Income Annuities**

Both immediate and deferred annuities are retirement products designed to help you set aside guaranteed income<sup>10</sup> for future daily and discretionary expenses using a portion of your assets.

#### **Single Premium Immediate Annuity**

An immediate annuity, like a Brighthouse Income Annuity,<sup>11</sup> can help with:

- Health care savings accounts
- Pensions and Social Security
- Regular health care costs, such as wellness visits and prescription programs

#### **Deferred Income Annuity**

A deferred income annuity, like Brighthouse Guaranteed Income Builder<sup>®</sup>, can help to:

- Plan for future expenses with deferred income payments
- Cover assisted living expenses, gaps in primary care coverage, additional Medicare premiums, and more

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Secure predictable, stable income for immediate or future health care expenses.

Contact your financial professional or visit [brighthousefinancial.com](https://brighthousefinancial.com) to get a quote, receive more information, or access the Brighthouse Financial income annuity tools.

- <sup>1</sup> Good News for Retirees: Spending Falls Over Time, Study Finds. Barron's, September 20, 2022.
- <sup>2</sup> Get the Facts on Healthy Aging. National Council on Aging, March 13, 2023.
- <sup>3</sup> The 2023 Average Cost of Medigap Plan F, Plan N and Plan G by Age. Medicare Supplement.com, February 21, 2023.
- <sup>4</sup> 2023 Medicare Costs. Medicare.gov, November 2022.
- <sup>5</sup> Retirement Benefits. Social Security Administration, as of January 2023.
- <sup>6</sup> 2021 Retirement Confidence Survey. Employee Benefits Research Institute, March 3, 2021.
- <sup>7</sup> Nationwide Survey: 42.9% of American Adults Have Less Than \$25k Saved for Retirement. Gold IRA Guide, November 12, 2021.
- <sup>8</sup> How to plan for rising health care costs. Fidelity Investments, June 21, 2023.
- <sup>9</sup> 2022 Employer Health Benefits Survey. KFF, October 27, 2022.
- <sup>10</sup> Guarantees are subject to the financial strength and claims-paying ability of the issuing insurance company.
- <sup>11</sup> Referred to as Single Premium Immediate Annuity or SPIA in the contract and on related forms.

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Any discussion of taxes is for general informational purposes only, does not purport to be complete or cover every situation, and should not be construed as legal, tax, or accounting advice. Clients should confer with their qualified legal, tax, and accounting professionals as appropriate.

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