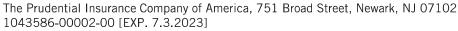
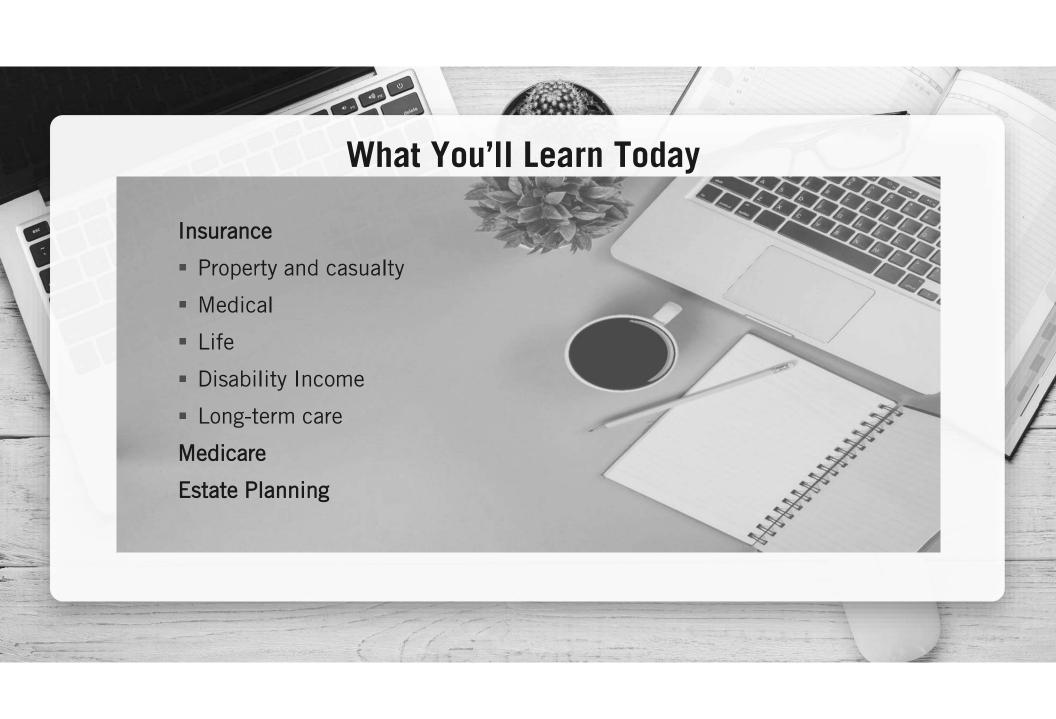




Seminar Series – Part 3 Creating a Solid Plan for the Future









**Protect Against** the Unexpected

- Loss or damage to property
- Out-of-pocket medical expenses
- Premature death
- Loss of income
- Accidental illness or injury

# **Insurance Planning**

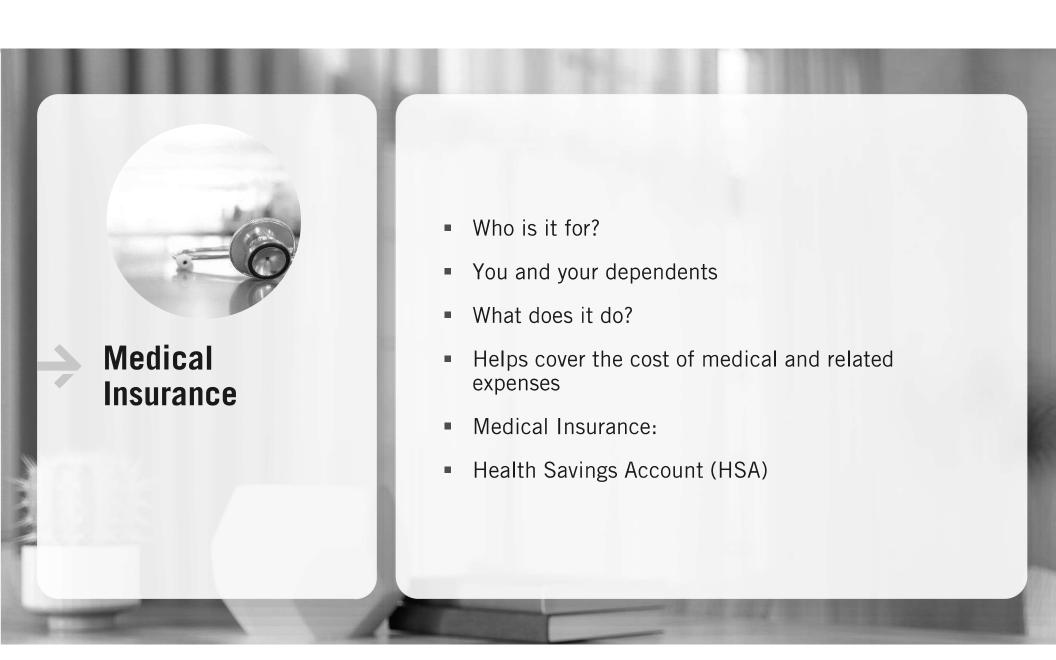
Life Stages Concerns	Life Stages	Concerns
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	LIIC Otagos	0011001113	
Just Starting Out	Growing Family	The Sandwich Generation	Pre-retirement/ Retirement
<ul><li>Liabilities</li></ul>	<ul><li>Liabilities</li></ul>	<ul><li>Liabilities</li></ul>	<ul><li>Liabilities</li></ul>
<ul><li>Funeral Expenses</li></ul>	<ul><li>Funeral Expenses</li></ul>	<ul><li>Funeral Expenses</li></ul>	<ul><li>Funeral Expenses</li></ul>
	<ul><li>Disability Income</li></ul>	<ul><li>Disability Income</li></ul>	<ul> <li>Survivor Income</li> </ul>
	<ul><li>Survivor Income Needs</li></ul>	<ul><li>Survivor Income Needs</li></ul>	Needs  Estate Settlement
	<ul><li>Retirement Savings</li></ul>	<ul><li>Retirement Savings</li></ul>	<ul><li>Long-term Care</li></ul>
	<ul><li>Education Savings</li></ul>	<ul><li>Estate Settlement</li></ul>	
		<ul><li>Education Expenses</li></ul>	



Property and Casualty Insurance

- Who is it for?
- You and the people who rely on certain key possessions
- What does it do?
- Protects your possessions (e.g., home, auto, boat, etc.)
- Type of Policies
- Automobile insurance
- Homeowners insurance
- Umbrella policy





www.HHS.gov



### **Life Insurance**

- Who is it for?
- People who depend on you
- What does it do?
- Helps them make up for the loss of your income
- Considerations
- Type of policy
- Adequate coverage/how much do you need?

# **Types of Life Insurance**

		Permanent				
	Term	Whole	Universal	Survivor -ship	Variable	
Temporary Coverage	✓					
Permanent Coverage		✓	✓	✓	✓	
Guaranteed Death Benefit	✓	✓	✓	✓	✓	
Focus on Affordability	✓					
Covers Two Lives with One Policy				✓		
Potential to Build Cash Value		✓	✓	✓	✓	
Growth Potential Based on Market					✓	
Tax-advantaged Death Benefit	✓	✓	✓	✓	✓	
Ability to Access Money		✓	✓	✓	✓	



Client Nam				Date
This worksh	eet provides a quick and	simple me	thod to estimate the amount of life insurance y	you will need.
INCOME				
Typical		% of tota	vould need if you died today income. Include all salaries, sof income.	ī
2. Annual	income available to y	our family		s.) \$
	income to be replace			" ;
	needed for income			
	line 3 by the appropri	ate factor	below:	\$
	Income Needed 10	15	20 25 30 35 40 45	50
Factor	st 9,4	13.6	17.5 21.1 24.5 27.7 30.6 33.3	35.9
EXPENSE	s			
5. Funera	P and other final expe	nses		
	y the greater of \$15,00		f your estate	\$
	ge and other outstand		Market Control Control	
			ebt, car loans, home equity loans, etc.	\$
Public Public	\$21,950 (in-state), \$	erage ann 38,330 (ou	ual costs at four-year public and private coll t-of-state); Private - \$49,870	ieges:
	Annual Amount		Number of Years in College - Total Co.	st (\$)
Child		X		
Child 2		X		<del></del>
Child		X		
CHIId		X		
241			Total capital needed for college	-
8. Total c	apital required (Add f	ines 4, 5,	and 7)	\$
ASSETS				·
	and investments			
		onds, mul	ual funds, real estate/rental property, etc.	\$
	nent savings			
	01 (k) plans, SEPs, pen		mont snaring plans	\$
	t amount of life insura		surance purchased on your own	\$
	all assets (Add lines			\$
			urance needed (Subtract line 12 from line 8	3.) \$
			ă -	S Services
I Inflation is	assumed to be 39°. Th	e rate of n	turn on investments is assumed to be 4.5%.	College costs are indexed at 4.5%.
				10. 2019 NFDA General Price List Study, December 19, 20.
				price-list-study-shows-funeral-costs-not-rising-as-fast-as-rate-
- Table	College Board Transfer	in Collogo	Pricing 2019 Figure 1 Costs include tuition re	oom, board, books and supplies, transportation, and other expen
3 Source-Th				





# Disability Income Insurance

- Who is it for?
- You and the people who depend on you
- What does it do?
- Provides income when you can't
- Types of coverage
- Group (e.g., short-term and long-term disability)
- Individual

The chances of a disability occurring are much greater than most Americans realize. More than one in four of today's 20-year-olds will become disabled before reaching age 67.

Social Security Administration Disability Benefits Planner. Accessed March 2020.



### Who is it for?

You and the people who depend on you

### What does it do?

 Covers costs incurred in cases of longterm chronic illness or disability

# Payment can come from a variety of sources

- Out-of-pocket (self-insured)
- Family members
- Medicare/Medicaid
- Long-term care insurance



## **Medicare Part A – Hospital Insurance**

Provides hospital coverage, no out-of-pocket premiums

BUT, once in the hospital, this is what you pay per benefit period in 2022 for Part A – covered medically necessary services:

- \$1,556 deductible per benefit period
- Days 1-60: \$0 per day coinsurance
- Days 61-90: \$389 per day coinsurance
- Days 91& beyond: \$778 coinsurance per each "lifetime reserve day" after day 90 for each benefit
- Beyond "lifetime reserve" days: All costs paid by patient

90-day hospital stay could cost more than \$10,000

www.medicare.gov as of November 2020.





https://www.ssa.gov/pubs/EN-05-10043.pdf

## **Medicare Part B – Medical Insurance**

If your yearly inco	You pay			
File individual tax return	File joint tax return	(in 2022)		
\$91,000 or less	\$182,000 or less	\$170.10		
\$91,001 to \$114,000	\$182,001 to \$228,000	\$238.10		
\$114,001 to \$142,000	\$228,001 to \$284,000	\$340.20		
\$142,001 to \$170,000	\$284,001 to \$340,000	\$442.30		
\$170,001 to \$500,000	\$340,001 to \$750,000	\$544.30		
Over \$500,000	Over \$750,000	\$578.30		

Monthly premium based on Adjusted Gross Income (AGI). www.medicare.gov as of November 2021



- Private companies that have contracts with Medicare
- Includes Medicare Parts A and B
- Most offer prescription drug coverage



# **Medicare Part D – Prescriptions**

If your yearly inco	me in 2020 was	You pay			
File individual tax return	File joint tax return	(in 2022)			
\$91,000 or less	\$182,000 or less	Your plan premium			
\$91,001 to \$114,000	\$182,001 to \$228,000	\$12.40 + your plan premium			
\$114,001 to \$142,000	\$228,001 to \$284,000	\$32.10 + your plan premium			
\$142,001 to \$170,000	\$284,001 to \$340,000	\$51.70 + your plan premium			
\$170,001 to \$500,000	\$340,001 to \$750,000	\$71.30 + your plan premiuim			
Over \$500,000	Over \$750,000	\$77.90 + your plan premium			

www.medicare.gov as of November 2020



	Medigap Plans									
Medigap Benefits	Α	В	С	D	F*	G	K	L	M	N
Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Part B coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes**
Blood (first 3 pints)	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A hospice care coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Skilled nursing facility care coinsurance	No	No	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A deductible	No	Yes	Yes	Yes	Yes	Yes	50%	75%	50%	Yes
Part B deductible	No	No	Yes	No	Yes	No	No	No	No	No
Part B excess charges	No	No	No	No	Yes	Yes	No	No	No	No
Foreign travel emergency (up to plan limits)	No	No	80%	80%	80%	80%	No	No	80%	80%
Out-of-pocket limit**	N/A	N/A	N/A	N/A	N/A	N/A	\$6,22 0	\$3,11 0	N/A	N/A

<sup>&</sup>lt;sup>1</sup> Plan F also offers a high-deductible plan. If you choose this option, this means you must pay for Medicare-covered costs up to the deductible amount of \$2,370 in 2021 before your Medigap plan pays anything. (Plans C and F aren't available to people who were newly eligible for Medicare on or after January 1, 2020.)

<sup>\*\*</sup>After you meet your out-of-pocket yearly limit and your yearly Part B deductible, the Medigap plan pays 100% of covered services for the rest of the calendar year.

<sup>\*\*\*</sup>Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in inpatient admission



Enrollment in Part A and B is automatic for those who qualify

You will need to enroll if:

- You aren't getting Social Security or Railroad Retirement Board benefits
- You qualify for Medicare because you have end stage renal disease

Annual enrollment period runs from October 15 to December 7

You can register online at MyMedicare.gov

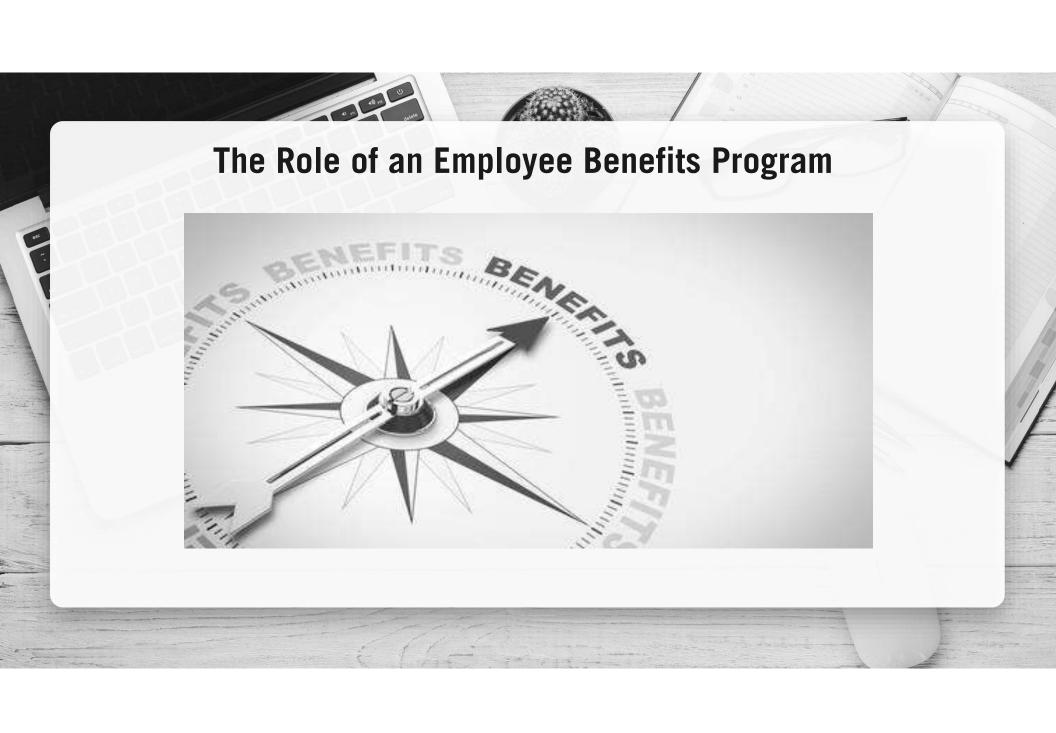




- Long-term care services (after 100 days)
- Dental coverage\*
- Eye care
- Hearing aids
- Podiatry\*
- For more information on Medicare visit <a href="https://www.medicare.gov">www.medicare.gov</a> or call 1-800-633-4227



\* some exceptions apply





### **LIFESTAGES FOLIO**

Bringing organization to life's stages



starting point.

Organization is key to meeting the financial challenges of each life stage, and each family's circumstances are unique as to how organization is achieved. This LifeStages Folio from The Prudential Insurance Company of America [Prudential] provides a solid

LIFESTAGES: getting married, buying or upgrading a home, moving, sending a child to college, changing jobs or careers, retiring, or taking care of an aging parent. Each life stage is a milestone in your life and presents new financial challenges.

The LifeStages Folio checklist will help you and your family begin bringing some organization to the financial challenges of your life.

However established and experienced you are, these LifeStages force you to reflect on your situation and make many kinds of decisions - including many financial choices. Whenever an event touches your financial security, it's wise to seek professional guidance to ensure you've considered all the factors that may affect your immediate, short- and long-term financial goals.

Congratulations for taking an important step toward planning for a secure future.





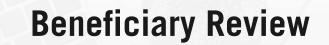
I can provide assistance in completing the Folio checklist. When appropriate, contact your attorney or accountant regarding legal and tax matters and related documents.

Key Documents or Information	1	Location/Contact Info/Username and Password
1. General Items - should always be read	illy av	ullable
Addresses and phone numbers of key contacts (financial professional, doctor, attorney, home health aid, accountant, etc.)		
Birth Certificate		
Social Security card	8	
Driver's license number		
Citizenship (naturalization) papers		
Marriage certificate		
Adoption papers		
Pre-nuptial agreement		
Divorce or separation papers		
Letter of instruction from the deceased to his/her executor or executrix		
Safe and combination		
Safe deposit box(es) and keys		
2. Financial Documents		
Brokerage account statements		
Mutual fund account statements		
IRA account statements	8	
Company retirement plan statements		
Stock certificates		
Bearer bonds		
Other investment documents		
Investment club documents		
529 plan statements		
On-line securities transaction info		
Documents showing cost basis		



- A will
- Trusts
- Living Will
- Advance Directive
- Healthcare Power of Attorney
- Power of Attorney





- Review beneficiary designations annually or after lifechanging events
- Life event that may trigger a change
- The dangers of naming trusts as beneficiary of retirement accounts



# Probate



- Have you previously thought about estate planning/wealth transfer strategies?
- What have you done so far?

What are the benefits of professional assistance?

#### PATHWAYS

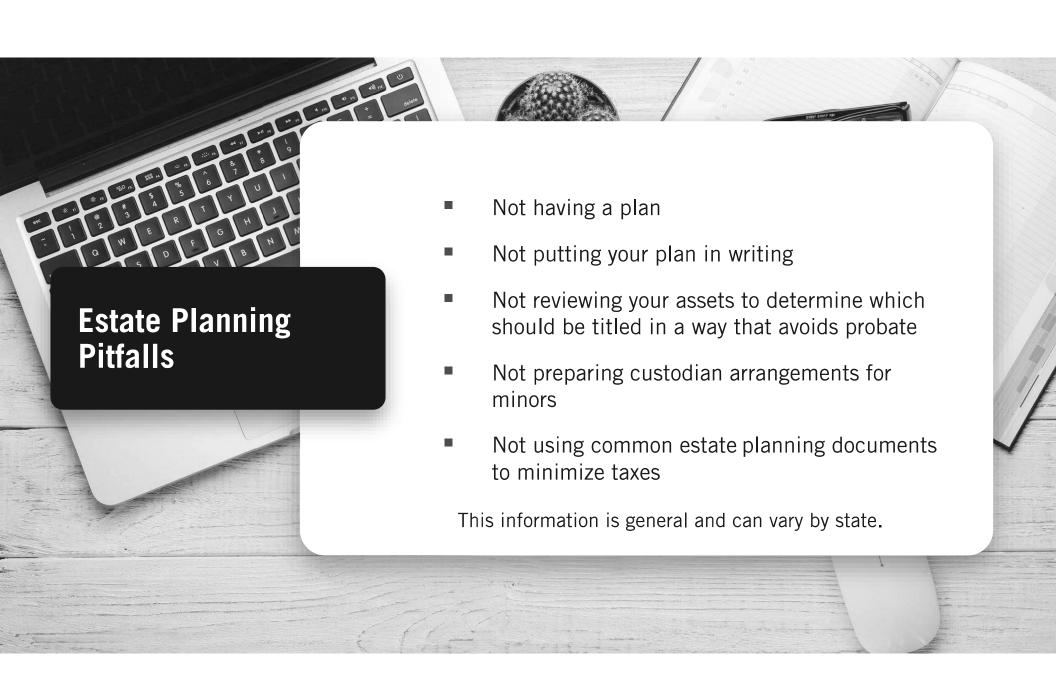
#### ASSETS TRANSFER CHECKLIS

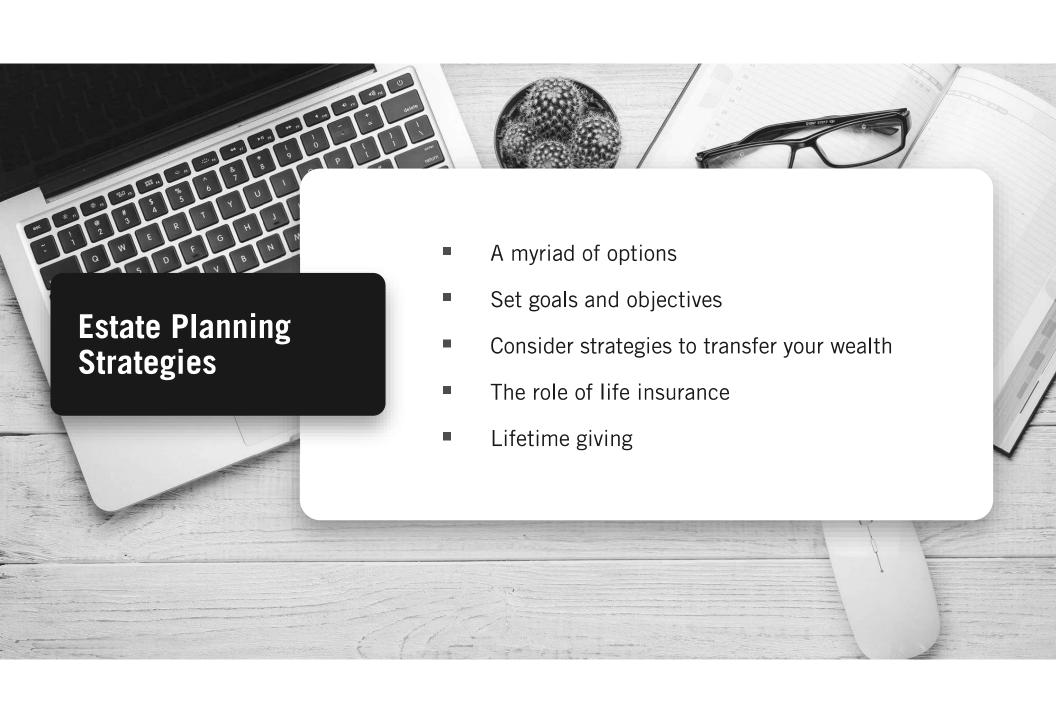
#### Take the Next Step

1	Do you have a will?	□YES □NO
2	is your state of residence the same as it was when your assets transfer plan was developed?	DYES DNO
3	Is your family's status the same as when your assets transfer plan was developed?	□YES □ NO
4	Does your will name a guardian for your children in the event both you and your spouse are deceased?	☐YES ☐NO
5	Are you comfortable with the executor(s) and trustee(s) you have selected?	□YES □NO
6	Have you made sure that your property ownership and beneficiary designations are coordinated with your assets transfer planning documents?	□YES □NO
7	Is the value of your estate generally the same as when your assets transfer plan was developed?	□YES □NO
8	If you have a resocable living trust, have you changed the title of your assets to the name of the trust?	□YES □NO
9	Have you executed a durable power of attorney and the appropriate healthcare documents?	□YES □NO
10	If either spause is a resident but not a citizen of the United States, have you considered including QDOT (Qualified Domestic Trust) provisions in your assets transfer plan?	□YES □NO
11.	If your estate will be subject to estate tax, do you and your spouse each own enough assets to take advantage of your full estate tax applicable exclusion amounts?	□YES □NO
12	If each spouse owns enough assets to take advantage of the estate tax applicable exclusion amount, are both your assets transfer plan and your spouse's designed to take advantage of this amount?	□YES □NO
13	Have you considered taking advantage of the annual gift tax exclusion?	☐YES ☐ NO
14	Do you have sufficient liquid assets to pay the debts and taxes that become due at death?	□YES □NO
15	Does your assets transfer plan provide sufficient income for your surviving spouse to maintain his or her lifestyle?	□YES □NO
16	Are you certain your assets transfer plan is up-to-date and takes into account potential tax saving strategies?	□YES □NO

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- Which assets will be inherited?
- What rights may your surviving spouse have?
- Do you want children to receive some or all of your assets?
- How much control do you want to keep?
- What if a child has special needs? Or predeceases you?
- What about other beneficiaries?
- Philanthropic goals?





Life Insurance as an Estate Planning Tool

- Maintain heirs' lifestyles
- Provide immediate liquidity
- Pay death taxes
- Equalize estate distributions
- Increase bequests to family members and charities
- Death benefits are generally income tax-free



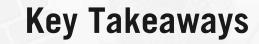




### Prudential PATHWAYS

#### FINANCIAL WELLNESS CHECKLIST

- ☐ Take full advantage of your company's benefit program
- Develop a household budget
- ☐ Create/maintain an emergency fund to cover 3-6 months of expenses
- Determine if discretionary expenses can be cut to save more for long-term goals (e.g. retirement, college education, caring for elderly parents)
- Maximize tax-deferred investment vehicles (e.g. 401(k), IRA, Roth IRA)
- Develop a retirement plan strategy (set goals, asset allocation strategy, periodic monitoring)
- Develop a retirement income strategy
- Determine how much you can draw from your savings annually in retirement
- Determine if you have adequate life insurance
- Determine if disability income insurance is needed
- Consider long-term care insurance
- Consider lifetime income from annuities
- □ Complete the LifeStages Folio
- ☐ Review/update your beneficiaries
- Consider asset consolidation strategies (e.g. rollovers)
- Develop an estate/wealth transfer strategy
- Develop a professional support team













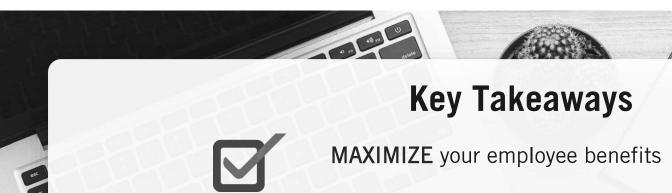
PROTECT yourself and your family against the unexpected

ASSESS your breadth of coverage through your life stages

**DETERMINE** the right amount of life insurance coverage

**UNDERSTAND** the role of Medicare

**INCLUDE** these protection tools in your retirement strategy



KEEP your important financial information updated and together

**DEVELOP** an estate planning strategy

UNDERSTAND common estate planning tools like wills and trusts

**AVOID** common pitfalls

**COMPLETE** the Financial Wellness Checklist



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