Slide 1

WHILE YOU'RE WAITING FOR THE WEBINAR TO START

WE'D LOVE TO HEAR FROM YOU

Make sure you're connected to audio if you'd like to verbally ask a question. Enter your access code (702.463.261), the pound sign (#), your audio pin (shown on your webinar control panel), and the pound sign (#) again. When we pause for questions, click the Raise Hand icon on your webinar control panel, and we'll unmute your line.

You can also type your questions in the question box on the webinar control panel. When we pause for questions, we'll read those for everyone to hear.

GET TO KNOW OUR TEAM

Ross Page, is an Insurance Advisor for Shepherd Insurance. He has been with the company for 16 years.

Holly Willman is the Director of Creative and Strategic Operations at Shepherd Financial. She's been with our team since 2013.

Growing up, Holly was in show choir for many years. If you're curious, she is an alto.

Slide 2


HEALTHCARE IN RETIREMENT
September 19, 2019
Shepherd
FINANCIAL

Slide 3

DISCLOSURES

The views and opinions expressed herein are those of the author(s) noted and may or may not represent the views of The Lincoln Investment Companies.

The discussion herein is general in nature and is provided for information purposes only. There is no guarantee as to its accuracy or completeness. It is not intended to be and may not be regarded as legal, tax, or financial advice. Laws of a specific state or laws relevant to a specific situation may affect the applicability, accuracy, or completeness of this information. Consult an attorney or tax advisor regarding your specific legal or tax situation.

Past performance is not indicative of future results. Investment decisions should be based on an individual's own goals, time horizon, and tolerance for risk.

Lincoln Investment's Financial Advisor will have available a current prospectus of each fund whose shares are offered. There is no assurance that the techniques and strategies discussed are suitable for all investors or will yield positive outcomes. The purchase of certain securities may be required to effect some of the strategies. Investing involves risks, including possible loss of principal.

111 Congressional Blvd, Suite 100, Carmel, IN 46032 | 317.975.5033 | 844.975.4015

Advisory services offered through Shepherd Financial Investment Advisory, LLC or Capital Analysts, LLC, Registered Investment Advisers.

Securities offered through Lincoln Investment, Broker/Dealer, Member FINRA/SIPC. www.lincolninvestment.com

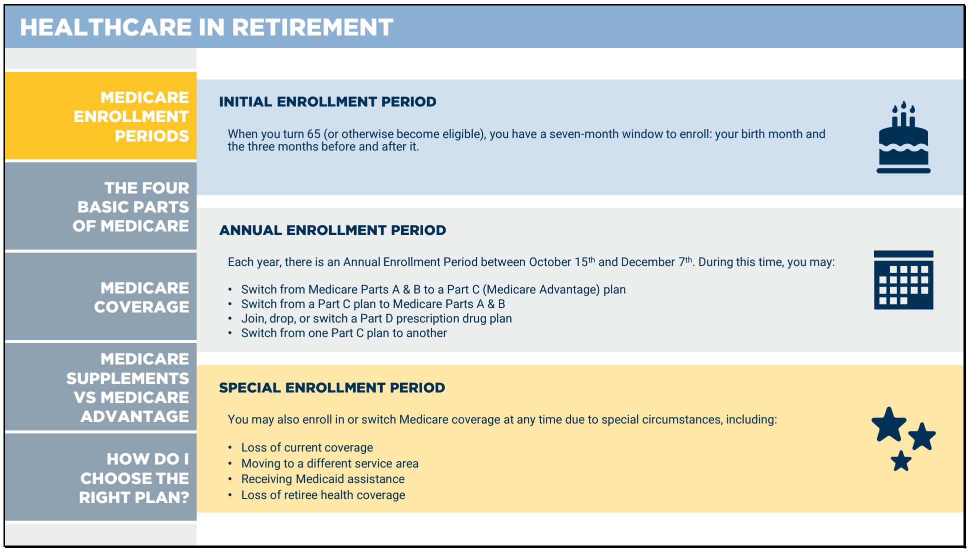
Shepherd Financial, LLC and Shepherd Financial Investment Advisory, LLC are independent of and not affiliated with Capital Analysts or Lincoln Investment.

Lincoln Investment, Capital Analysts, and Shepherd Financial, LLC do not offer tax or legal advice services.

Insurance services are not offered through, or supervised by, The Lincoln Investment Companies. Shepherd Insurance is not affiliated with The Lincoln Investment Companies.

This presentation is for basic investment education. It is not a substitute for reading plan documents, materials provided by fund companies, or materials provided by your employer. This presentation should not be the sole source for your investment decisions, and any performance data quoted represents past performance and does not guarantee future results.

Slide 4



Also known as the Annual Election Period, October 15th through December 7th is open enrollment season every year for Medicare plans with drug coverage – so Part D and Advantage Plans. But open enrollment isn't the only time a person can enroll in Medicare. The open enrollment period tends to be for people who are already enrolled and want to make changes to their plans.

Most people become Medicare-eligible at age 65, although some people are eligible earlier due to Social Security disability.
Medicare has what's called the Initial Enrollment Period, which is seven months long: that's the three months before the month you turn 65, the month you actually do turn 65, and the three months after the month you turn 65.

Some people are automatically enrolled in Medicare Parts A and B. If you're already getting Social Security retirement or disability benefits when you turn 65, you'll be automatically enrolled in Medicare Parts A and B. If you aren't enrolled in Social Security at age 65, you'd have to enroll in Medicare either online or at a local Social Security office.

In some cases, you don't have to sign up for Medicare when you turn 65 if you have health coverage through your employer. However, the rules vary based on the size of your company and other factors. You should talk to your employer before you make that decision. And it's important to find out if your employer qualifies in a timely manner, too, because you may face a penalty for failing to sign up for Parts A, B, and D during your first enrollment period.

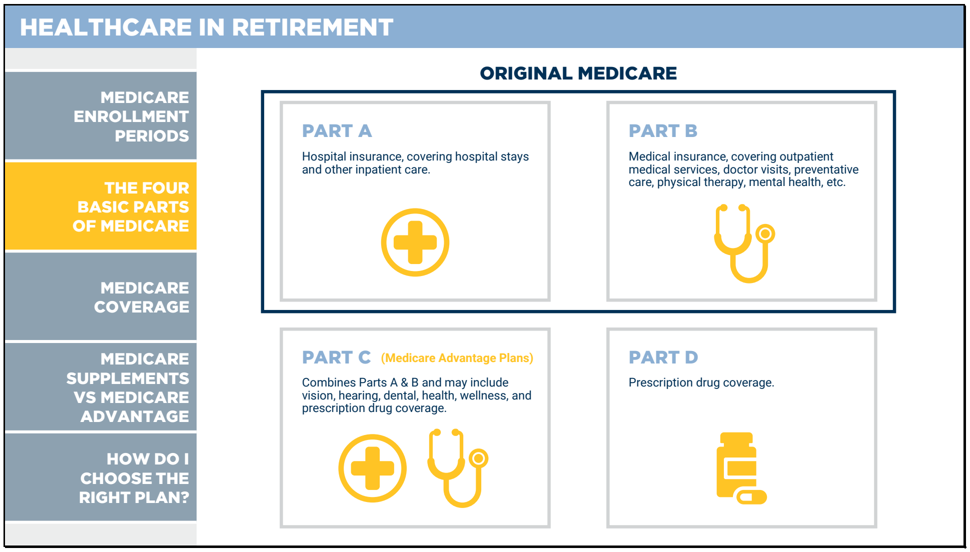
Regardless, you still may benefit from enrolling in Part A when you reach age 65 since it's free for most people and can function like secondary insurance, as long as you don't have a health savings account plan. If you're eligible to delay and end up enrolling after age 65, you'd enroll via a Special Enrollment Period. For anyone applying for Medicare after age 65, you would have to apply at a local Social Security office, and there are a couple of forms to take with you, which we can provide.

Let me create a hypothetical scenario. Let’s say that you worked till age 67 and delayed Medicare because your employer met those qualifications I referred to. And because you’ve been working, you also delayed your Social Security benefits. In your case, you’ve decided to keep delaying those Social Security benefits till age 70 for the highest benefit possible. But now that you are done working, you need to enroll in Medicare. I said you’d have to go to the Social Security office to do that, but does that mean you have to start taking Social Security at the same time?

So first of all, you’ll need to apply within 8 months of leaving your job to avoid the Medicare Part B penalties I talked about earlier, as well as within 2 months of leaving your job to avoid the Part D penalties. Most people apply for Medicare to start when their group coverage stops so there’s no gap in coverage. And yes, you’ll go to the Social Security office to do that. But no, you can continue to delay your Social Security benefits. Instead of having your premiums come out of your Social Security check – since you’re not getting one – you’ll receive a quarterly bill in the mail.

An important factor to consider in the timing of all of this is your spouse’s coverage. If you take Medicare, but your spouse is under 65 and had previously been covered by your company policy, you’ll want to get quotes for an individual policy until they become Medicare eligible. COBRA insurance is another option. COBRA can cover anywhere from 18-36 months.

Slide 5



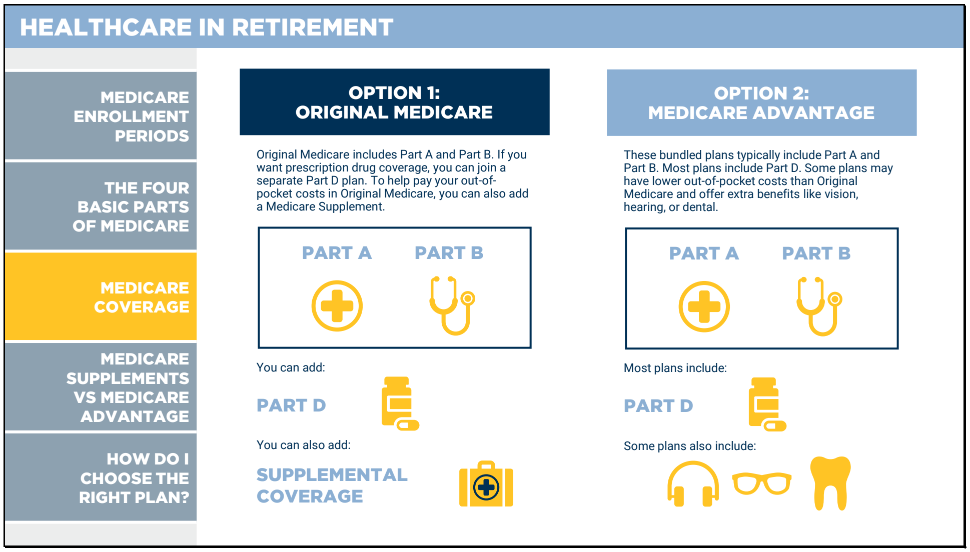
There are four basic parts of Medicare. The first two are administered by the federal government. Part A is hospital insurance, covering hospital stays and other inpatient care.

Part B is medical insurance, covering outpatient medical services, doctor visits, preventive care, physical therapy, mental health, and more. A and B together are referred to as Original Medicare.

Part C, also referred to as Medicare Advantage Plans, typically combines Part A and B coverage and may include vision, hearing, dental, health, wellness, and prescription drug coverage. An important note is that it's an alternative to a Medicare Supplement, but it isn't a Medicare Supplement.

Part D is prescription drug coverage. There are currently 26 different drug coverage plans in the state of Indiana, so coverage can be custom-fit to meet your needs. If you have a Medicare Supplement, you will need a separate Part D plan.

Slide 6

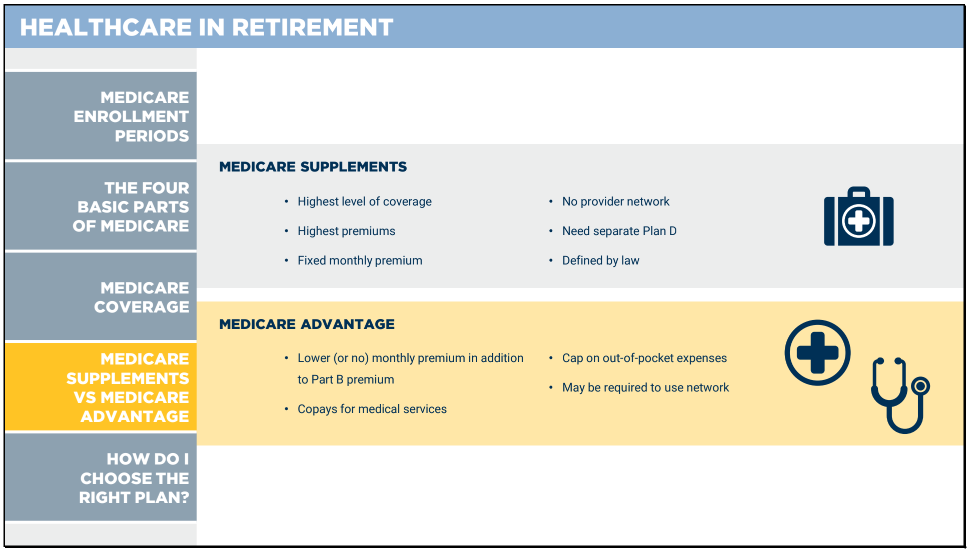


A through D are the four basic parts, but a Medicare Supplement is a fifth part - a Medicare Supplement could cover some or all of the costs not paid by Medicare Parts A and B. When you go on Medicare, you have two types of coverage available.

The first type of coverage is that you can take Parts A and B – Original Medicare – and add either or both of the Medicare Supplement and Part D plans. You may have also heard of these Supplement plans referred to as Medigap coverage.

You can take Parts A and B and add part Part C. As I said, it's also known as Medicare Advantage, and it was originally designed for people who couldn't afford the Medicare Supplements. The reason Medicare insurance exists is because Original Medicare was never meant to cover 100% of medical and prescription costs.

Slide 7

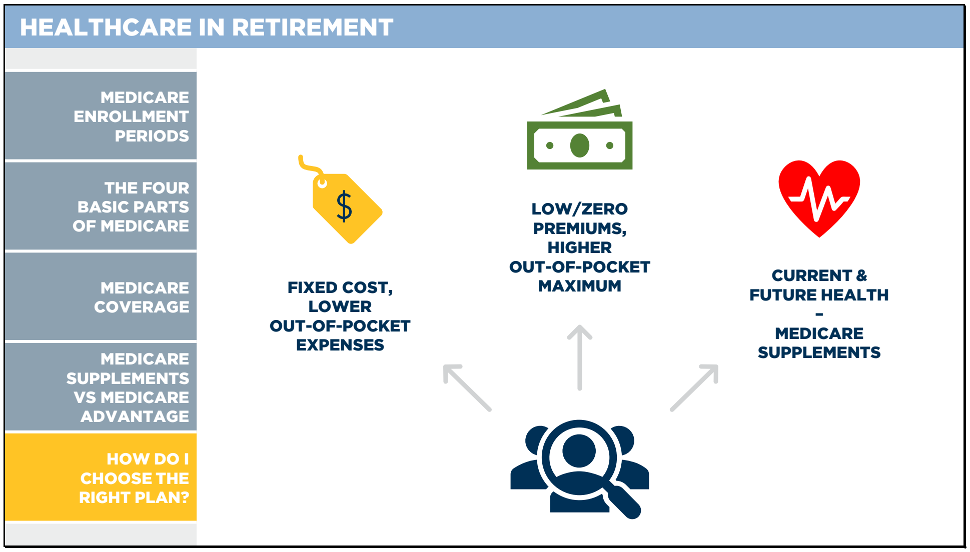


Let's move on to the differences between Supplements and Part C. Medicare Supplements have the highest level of coverage you can buy, and they also have the highest premiums. You pay a fixed monthly premium based on age, gender, tobacco use, and your zip code. Except for Select Plans, you can select any provider that accepts Medicare and see specialists without referrals. Just so you know, about 92% of providers accept Medicare.

And a couple more notes - prior authorizations are not required for procedures and tests. As I mentioned, you will need a separate Part D plan for prescription drugs. These Supplements are defined by law and not by insurance companies, so if a company wants to sell Medicare Supplements, they can't alter its Medicare benefits in any way.

Let's dig into Medicare Advantage Plans. These typically combine the medical and prescription coverage into one plan. And, as I mentioned earlier, they may include some vision, hearing, dental, and wellness. By enrolling in an Advantage Plan, you have a lower or even no monthly premium in addition to your Part B premium. You may be required to use in-network doctors and hospitals. You may need referrals to see a specialist, and prior authorizations and other restrictions may be utilized to control costs. You'll have copays for medical services, and there's a cap on your out-of-pocket expenses, which varies by plan.

Slide 8



I have now handed you many pieces of information. I bet I can anticipate your next question. How on earth do I choose the right plan with all these options?

It really varies by individual. Do you want to pay a fixed cost with lower out-of-pocket expenses? Or would you like to pay low or zero premiums and have a higher maximum out-of-pocket? Your health is a big piece of this puzzle – how is it now? Where do you think it's going in the future? Can you afford the Medicare Supplement premiums? There's no one right answer, which is why there are so many plans.

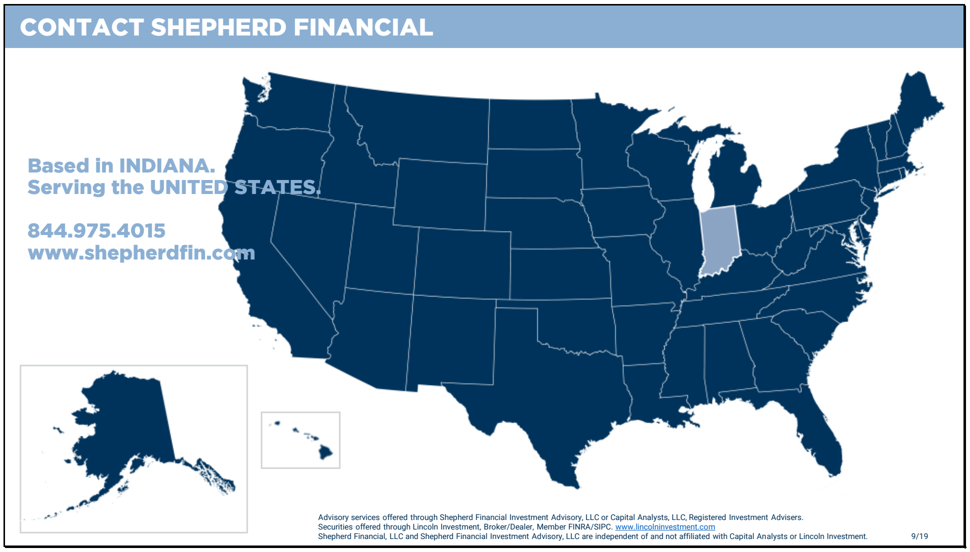
What if you choose a plan and then end up not liking it? Well, that's where the Annual Enrollment Period comes in. During this time, you can switch from Original Medicare to a Medicare Advantage plan. Conversely, you can switch from Medicare Advantage to Original Medicare. You can also join, drop, or switch a Part D prescription drug plan. And you can switch from one Medicare Advantage plan to another.

To know if you want to do any of that, I would recommend having your plan reviewed annually, because your coverage might be great one year and not as good the next – so open enrollment is the time to make those kinds of changes.

There are also other times you could change your coverage. Let's say when you were first eligible for Medicare, you enrolled in a Medicare Advantage plan. You have a Special Enrollment Period for the next 12 months where you can disenroll and go to Original Medicare. The other option is if you were in a Medicare Supplement plan and switched into Medicare Advantage for the first time. You have a 12-month trial period where you can disenroll.

If you have a Medicare Supplement and would like to know if it is competitive, we can review and change those at any time of the year, subject to medical underwriting. So many personal decisions that go into all of this. Ultimately, though, people don’t have to figure this out on their own. You shouldn’t be expected to decipher all the charts and numbers. You can come in, and we’ll do the hard work of comparing all the options for you.

Slide 9



Don't forget our next Open Phone Day is Tuesday, October 1st, and you can sign up for that by emailing shepfinteam@shepherdfin.com. If you'd like to chat with one of our team members at any other time, you can always call us at 844.975.4015 or 317.975.5033.

Have a great afternoon!

Slide 10

DEFINITIONS AND DISCLOSURES

Investments in Target Date Funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. The principal value in a Target Date Fund is not guaranteed at any time, including on or after the target date, which is the approximate date when investors turn age 65. Should you choose to retire significantly earlier or later, you may want to consider a fund with an asset allocation more appropriate to your particular situation. The funds invest in a broad range of underlying mutual funds that include stocks, bonds, and short-term investments and are subject to the risks of different areas of the market. The funds maintain a substantial allocation to equities both prior to and after the target date, which can result in greater volatility. All investing is subject to risk, including the possible loss of the money you invest. Investments in bonds are subject to interest rate, credit, and inflation risk.

Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values. There are some risks associated with investing in the stock markets: 1) Systematic risk - also known as market risk, this is the potential for the entire market to decline; 2) Unsystematic risk - the risk that any one stock may go down in value, dependent of the stock market as a whole. This also incorporates business risk and event risk; and 3) Opportunity risk and liquidity risk. International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. An investment concentrated in sectors and industries may involve greater risk and volatility than a more diversified investment. Small and mid-cap stocks may be subject to a higher degree of risk than larger, more established companies' securities, including higher risk of failure and higher volatility. The illiquidity of the small and mid-cap markets may adversely affect the value of these investments so those shares, when redeemed, may be worth more or less than their original cost. In general, the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities).

Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. Lower-quality fixed income securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate. Treasury bills (T-bills) are short-term securities with maturities of one year or less issued at a discount from face value. Treasury bills are the primary instrument used by the Federal Reserve in its regulation of money supply through open market operations. Treasury notes (T-notes) are intermediate securities with maturities of 1 to 10 years. Denominations range from $1000 to $1 million or more. The notes are sold by cash subscriptions, in exchange for outstanding or maturing government issues, or at auction. Treasury bonds (T-bonds) are long-term debt instruments with maturities of ten years or longer issued in minimum denominations of $1,000. Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features. Any fixed-income security sold or redeemed prior to maturity may be subject to loss.

Prior to rolling over assets from an employer-sponsored retirement plan into an IRA, it's important that you understand your options and do a full comparison on the differences in the guarantees and protections offered by each respective type of account as well as the differences in liquidity loans, types of investments, fees, and any potential penalties. A variable annuity is an insurance contract which offers three basic features not commonly found in mutual funds: (1) annuity payout options that can provide guaranteed income for life; (2) a death benefits; and (3) tax-deferred treatment of earnings. When applicable, the tax deferred accrual feature is already provided by the tax-qualified retirement plan (e.g. 403(b), IRA, etc.) The U.S. Securities and Exchange Commission (Investor Tips: Variable Annuities) has suggested that for most investors, it would be advantageous to make the maximum allowable contribution to a tax-qualified retirement plan before investing in a variable annuity. The separate account of a variable annuity is not a mutual fund. While separate accounts may have a name similar to a mutual fund, it is not the same pool of funds and will experience difference performance than the mutual fund of the same or similar name. In addition, the financial ratings of the issuing insurance company do not apply to any non-guaranteed separate accounts. The value of the separate accounts that are not guaranteed will fluctuate in response to market changes and other factors. Variable annuities are designed to be long-term investments and early withdrawals may be subject to tax penalties and charges. None of the information in this document should be considered as tax advice. You should consult your tax advisor for information concerning your individual situation.

Treasury inflation protected securities (TIPS) refer to a treasury security that is indexed to inflation in order to protect investors from the negative effects of inflation. TIPS are considered an extremely low-risk investment since they are backed by the U.S. government and because the par value rises with inflation, as measured by the Consumer Price Index (see below), while the interest rate remains fixed.

The consumer price index (CPI) measures changes in the price level of a market basket of consumer goods and services purchased by households.

Past performance is no guarantee of future results. No person or system can predict the market. All investments are subject to risk, including the risk of principal loss.

Consult your financial professional before making any investment decision.