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TSCL—Defending Your Earned Benefits For Over 25 Years

THE SOCIAL SECURITY & MEDICARE ADVISOR©

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CONGRESS CAPS MEDICARE PART B PREMIUM INCREASE

Emergency 3% COLA Legislation Introduced

The Social Security Administration has announced that the Cost-of-Living Adjustment (COLA) will be 1.3% for 2021 making it one of the lowest ever paid. TSCL was able to put the issue into the spotlight and to get emergency legislation introduced, all within the same week. Representatives Peter DeFazio (OR-04) and John B. Larson (CT-01) have introduced emergency legislation to increase the 2021 COLA to 3%.

In addition, TSCL's efforts to inform Congress and the public about the likelihood of a minimal COLA in 2021 when Medicare costs were rising sharply due to COVID-19 played a role in heading off a particularly large Medicare Part B increase in 2021. While the annual Social Security COLA will be just 1.3% in 2021, making it one of the lowest ever paid, Congress moved to cap the standard monthly Medicare Part B premium increase at $3.90 from $144.60 to $148.50, which is much lower than TSCL initially feared it would be.

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Is Social Security's COLA Failing Those It's Supposed to Protect?

How are retirees across the United States faring with rising costs in 2020? Recently we asked our readers to share your stories, and many of you did! The following is from Jane W. of New Jersey. The problem that Jane describes is one of the most widely-shared dilemmas facing retirees today. Her comments are referring to the Cost-of-Living

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What's a Retiree's Secret Holiday Wish? A Higher COLA!

By Mary Johnson, editor

I frequently hear from those of you who skewer the annual Social Security Cost-of-Living Adjustment (COLA) because it does such a rotten job of reflecting the inflation you actually experience. All true. But this year, the coronavirus and extreme natural disasters, including wild fires in the west and hurricanes in the Gulf of Mexico, have taken family emergencies and financial uncertainty to a whole new level of anxiety. Recently we heard from Diana L., a resident of Nebraska, who had this to say:

I am concerned that our Social Security will not increase. We need a big increase in order to survive each month. When circumstances arise such as paying plumbers, while trying to get my car fixed all in the same month, then I don't have enough to pay my regular monthly bills. This hurts deeply and especially when I'm also supporting my youngest daughter and her 2 babies ages 6 & 2 years old because they are homeless!

I'm mad as hell because it's been hell on earth in 2020! This is not the way I wanted my life to end up. Since I've had to spend a lot of money for

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Another Proposal that Would Boost Benefits for the Oldest Retirees

By Rick Delaney, Chairman of the Board, TSCL

Rick Delaney, Chairman of the Board, TSCL

A well-known problem affects everyone trying to live on Social Security benefits. The longer you spend in retirement, the less your benefits can buy. Research by TSCL indicates that Social Security benefits have lost 30% of their buying power over the last 20 years. That means people who retired in 2000 and spent $70 for groceries, have to spend about $100 today for the same items. And, as many of you are quick to point out, those items are showing up in smaller containers.

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A significant portion of you think Congress should take action to address this issue. More than 67% of participants in TSCL's most recent Senior Survey think Congress should boost benefits for those who have received Social Security for at least 20 years—people who are about 85 years old today. Only 9% were opposed to the idea, and 24% were not sure.

While legislative options vary considerably, the idea is to increase the monthly benefit of these retirees. One version of the idea would provide the same dollar amount of increase to any beneficiary 85 and older. The boost would be calculated by a proposed amount such as 5% of the average retiree benefit. In 2020, that works out to be about $75 per month. While that may sound like a lot, roughly 57% of TSCL survey participants report that their monthly expenses have increased by *more than* that amount over the past 12 months.

An analysis of the proposal indicates that, over a ten-year period, retirees with an average benefit of around $1,500 in 2020 would receive an extra 5% in Social Security income by age 95, and with Cost-of-Living Adjustments (COLAs), the boost would add another $91 per month by the end of ten years.

TSCL feels that such a proposal could form part of a comprehensive plan to strengthen the adequacy of Social Security benefits. Such a plan includes:

- Boosting benefits for all retirees.
- Tying the annual cost-of-living adjustment to a seniors' consumer price index such as the Consumer Price Index for the Elderly (CPI-E).
- Ensuring that the COLA never drops below 3%.
- Increasing payroll tax revenues and requiring high earners to pay their fair share of payroll taxes.

We're interested in hearing what you think about this proposal, and encourage you to participate in a new poll. Visit TSCL's website to take the following poll, at www.SeniorsLeague.org. ■

POLL

Should Congress Boost the Social Security Benefits of People Age 85 and Older?

(Select only one.)

- ☐ Yes, provide a 5% boost for all Social Security recipients over 85 years of age.
- ☐ Yes, provide the same dollar amount, (roughly $75/month) to all retirees.
- ☐ No, Congress should not boost benefits at this time.
- ☐ Not sure

Take this poll online at www.SeniorsLeague.org

Legislative Update

Boosting Social Security: Important Now More than Ever

By Shannon Benton, Executive Director

Shannon Benton, Executive Director

One of the most important pieces of Social Security legislation considered during this Congress is the Social Security 2100 Act. This is the bill that would strengthen Social Security benefits by:

- providing a boost to benefits of about $30 per month ($360) for all retirees,
- tying the annual Cost-of-Living Adjustment (COLA) to the Consumer Price Index for the Elderly, CPI-E, and,
- adjusting income thresholds that subject Social Security benefits to taxation allowing retirees to keep more of their benefits.

Many of you want to know what would happen if the lame duck Congress fails to enact this bill by the end of December 2020. Rest assured, TSCL will see to it that the bill is re-introduced in the next Congress, as quickly as possible.

TSCL was encouraged that the bill has seen more action, and received more attention in this Congress than any previous version of this bill, and was co-sponsored by more than 200 Members of the House. For those of you who want more details about it's progress, here are some tools to help you keep up with the status of legislation:

- The official name of the bill is the Social Security 2100 Act (H.R. 860) that was introduced in the House by Representative John Larson (CT-1). You can look up any bill on www.Congress.gov, a website that provides a great search tool to learn the status and details about any bill.
- The bill was evaluated and analyzed by the Social Security Office of the Actuary. The first few pages of the analysis are an interesting breakdown of the major provisions, which can be found online at the url shown below. You will note the SSA Actuary gives the opinion that the legislation would provide "full solvency for the program over a 75-year period: https://www.ssa.gov/oact/solvency/LarsonBlumenthalVanHollen_20190130.pdf.
- A House Committee hearing was held July 25, 2019 on the bill and this url will take you to the posted testimony and transcript: https://waysandmeans.house.gov/legislation/hearings/legislative-hearing-social-security-2100-act-0.

The bill was paused when the Congressional Joint Committee on Taxation differed from the Social Security Administration Actuary, over the solvency provided by the legislation. The difference was due to the longevity assumptions that each source used to make its projections.

…little new work was achieved on [the Social Security 2100 Act] in 2020 because, by early in the year, the coronavirus changed Congressional priorities.

A small difference in assumptions, like how long people receive benefits in retirement, can make a big difference over the 75-year period used to evaluate

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CONGRESSIONAL CORNER

Raising the 2021 COLA to 3% Will Provide a Crucial Lifeline During Coronavirus Crisis

By Representative Peter DeFazio, (OR-04)

Representative Peter DeFazio, (OR-04)

In October, after the Social Security Administration (SSA) announced a meager 1.3% Cost-of-Living Adjustment (COLA) for Social Security beneficiaries in 2021, I introduced emergency legislation with my colleague, Rep. John B. Larson, to increase the 2021 COLA to 3%.

Due to the COVID-19 pandemic, seniors are facing additional financial burdens in order to stay safe. This absolutely anemic COLA won't even come close to helping them afford even their everyday expenses, let alone those exacerbated by COVID-19. Raising the COLA to 3% for 2021 will provide seniors with an immediate, crucial lifeline during the ongoing coronavirus crisis.

In addition to ever-rising health care and prescription drug costs, COVID-19 has disproportionately affected seniors' cost-of-living in other areas, including increased costs for food and nutrition, deliveries, energy and heating, out-of-pocket costs for COVID-19 treatment, and more. Other added costs include personal protective equipment and cleaning supplies, as well as internet and data plans which are needed to help counter the negative effects of isolation.

Due to the COVID-19 pandemic, seniors are facing additional financial burdens in order to stay safe.

My legislation would also protect beneficiaries from losing eligibility in federal programs like Medicaid, SSI, SNAP, and more due to an income increase thanks to a higher COLA in 2021.

It's also critically important that Congress expand Social Security benefits and provide a permanent fix to the COLA formula that actually reflects the real costs that seniors face. That's why I'm also urging Congress to pass my comprehensive legislation, the Social Security Expansion Act, to increase across-the-board benefits and use a new COLA index (CPI-E) to factor in seniors' actual, everyday expenses. My legislation would also ensure that Social Security remains solvent for current and future generations.

This year's 1.6% COLA only continued the distressing trend of inadequate annual Social Security COLAs. As a result, the purchasing power of the Social Security COLA has continued to decline along with seniors' standard of living. According to The Senior Citizens League, Social Security recipients have lost nearly a third of their buying power since 2000.

The 2021 1.3% COLA increase is historically low. COLAs averaged 3% between 1999 and 2009. Over the past decade, however, annual COLAs have averaged just 1.4%, and this year's is below even that average.

As a trained gerontologist, I have devoted my career to protecting and expanding programs and benefits vital to seniors. It has always been and continues to be my highest priority to protect Social Security. ■

BEST WAYS TO SAVE

Rule Changes Affect Retirement Account Required Minimum Distributions for 2020

If you have savings stashed away in retirement accounts, stay on top of new rules affecting required minimum distributions (RMDs). One important feature of qualified retirement plans and IRAs is the deferment of taxes. But the failure to start RMDs on time, or failing to take the required amount, can result in a penalty of a 50% excise tax on the amount not distributed as required.

You can find more information about retirement plans and IRA minimum distributions at www.irs.gov.

Two recently enacted laws, the CARES Act and the SECURE Act, changed the required minimum distribution rules for 2020. Passed in late 2019, the Setting Every Community up for Retirement Enhancement (SECURE) Act increased the age for starting RMDs from 70½ to 72, for people who attain age 70½ after 2019. (Retirees can still take distributions prior to reaching that age.) The Coronavirus Aid, Relief, and Economic Security Act (CARES) Act, stimulus legislation that was signed into law in March of this year, provides a waiver for RMDs for calendar year 2020 for all retirement account owners. That means you can take less than your minimum, or forego the RMD altogether, which could potentially lower your taxable income and tax bill for 2020.

If you turned 70½ by the end of 2019, that means you should resume taking RMDs in 2021. You won't have to "make up" any amount, just take the normally scheduled amount. If you were younger than 70½ by the end of 2019, then you're not required to take your first distribution until April 1 of the year after you turn 72.

Once you start receiving minimum required distributions, you must withdraw your RMD by December 31st after the first year. If you attain age 72 in 2020 and have waited until April 1, 2021 to make your first withdrawal, then you will need to take a second withdrawal by December 31, 2021.

You can find more information about retirement plans and IRA minimum distributions at www.irs.gov. This RMD worksheet from the IRS can prove useful for retirement planning and figuring your cashflow. Make sure to include the required December balances of every retirement account that you own when figuring the RMD. Often, your custodian figures the amount of distribution you're required to take, but taxpayers could be held responsible for mistakes if they have retirement accounts held by more than one financial institution.

TSCL strongly recommends that you discuss these changes with the custodian(s) of your retirement account(s) and your tax advisor. ■

Your Opinion Counts!

We can strengthen Social Security, Medicare and Medicaid programs without the need for deep cuts and higher out-of-pocket costs. The Senior Citizens League needs your opinions and ideas to share with Members of Congress on the issues. Make sure they hear your concerns. Take a survey, sign a petition, read about the latest legislative action in Congress, or send us an email. Visit The Senior Citizens League's website at www.SeniorsLeague.org.

Congress Caps Medicare Part B Premium Increase, Emergency 3% COLA Legislation Introduced; continued from page 1

By early December, the government typically notifies Medicare beneficiaries about how much they will pay in Medicare Part B premiums the following year. But often the notices don't tell you very much. Here are a few of your most Frequently Asked Questions to help you understand the issues involved when COLAs are low, but Medicare premiums keep growing.

FREQUENTLY ASKED QUESTIONS

Q What happens when Medicare Part B premiums increase by more than the amount of person's annual Cost-of-Living Adjustment (COLA)? Will the deduction for Medicare Part B premiums decrease Social Security benefits?

A The COLA for 2021 becomes effective in January and, at the same time, any change in the Medicare Part B premium also goes into effect. When the dollar amount of the annual Medicare Part B premium increase is greater than the dollar amount of an individual's annual cost-of-living adjustment (COLA), the Social Security benefits of about 70 percent of Medicare beneficiaries are protected from reduction by the *hold-harmless* provision in the Social Security Act. That said, roughly 10 percent of beneficiaries, of those who are not protected by this provision, could experience lower Social Security benefits due to rising Part B premiums.

Q How does the Hold-Harmless Provision work?

A For those who are protected by hold-harmless, when the Medicare Part B premium increase would cause an individual's net Social Security check to be lower than it was the year before, the Part B premium is reduced to ensure the net Social Security benefit does not decline from one year to the next. This determination is made by the Social Security Administration.

Q Will I be held harmless in 2021?

A Assuming you are held harmless in any given year, the Social Security recipient must have received Social Security benefit checks in both December of the previous year (in this case 2020), and January of the following year (2021). In addition, the beneficiary must also have had the Part B premium deducted from both checks. The hold-harmless provision operates by *comparing the net dollar amounts* of the two monthly benefit payments. If the net Social Security benefit for January would be lower than in December of the previous year, after deduction of the Part B premium, then the premium of those held harmless is reduced to an amount that would not cause your net Social Security benefit to decline in January.

Q Who aren't protected by the hold harmless provision?

A About 30% of Medicare beneficiaries are not protected, and these people may be subject to significantly higher premiums than those who are held harmless. Those who are not protected include:

- Higher income beneficiaries. Roughly 5% of Medicare beneficiaries, those who have modified adjusted gross incomes (MAGI) of more than $87,000 (individual filer) or married couples with incomes of $174,000 (joint filers) are required to pay income-related surcharges on their Part B premiums. The law specifically excludes this group from protection under hold harmless. These individuals are required to pay the full amount of any increase in their Part B premiums. The income thresholds are adjusted annually for inflation.
- People who have not started Social Security. About 2% of beneficiaries may have delayed

> …TSCL's efforts to inform Congress and the public about the likelihood of a minimal COLA in 2021 when Medicare costs were rising sharply due to COVID-19 played a role in heading off a particularly large Medicare Part B increase in 2021.

signing up for Social Security because they have not reached full retirement age or are still working. This group includes disabled beneficiaries whose Social Security Disability Insurance benefits have been discontinued because they have returned to work, but who are still eligible for Medicare.

- New enrollees. About 3% of those who aren't protected by hold harmless are new Medicare enrollees.
- Low-income beneficiaries who don't have Medicare premiums deducted from their Social Security checks. About 20% of those who aren't held harmless are people whose incomes are so low, that their Medicare Part B premiums are paid on their behalf by their state Medicaid program.

Q How many people can be affected in a given year?

A The number of people who are held harmless varies from year to year; depending on the inflation rate, the amount of the Medicare Part B premium increase, and the amount that individuals receive in benefits. People with very low benefits see their Medicare Part B premiums adjusted more frequently than individuals with higher benefits, because the dollar amount of their COLA is frequently insufficient to cover the entire amount of the Part B increase.

For example, a COLA of 1.3% would increase a $700 benefit by $9.10 per month. But if Medicare Part B increases by $10.00 per month, then most people who receive a gross Social Security of $700, and who are covered by hold harmless, would see their Part B premium reduced. Their 2021 Medicare Part B premium would be adjusted to prevent reduction of their net Social Security benefit, and they would pay just $9.10 per month more.

Meanwhile, retirees with higher monthly benefits, such as $775.00, would receive a COLA of $10.10 per month. The COLA would cover the monthly $10 Part B increase, and they would pay the full $10 Part B increase, leaving them with a net Social Security increase of just 10 cents.

In years when the COLA is higher and the Part B increase is relatively low, few beneficiaries are affected. But when COLAs are zero or very low, and Part B costs are rising, the Medicare premiums of a significant portion of Medicare beneficiaries who are covered by hold harmless would be adjusted.

Q What causes the Part B premium spikes when there's a very low COLA?

A Current law does not specify how the unpaid portion of Medicare Part B premiums of those held harmless should be financed in years in which large numbers of Medicare beneficiaries are affected. In the past, Congress has allowed the entire portion of those costs to shift to the 30% of beneficiaries who are not protected by hold harmless. Because program costs are spread over just 30% of program beneficiaries rather than all of them, Medicare Part B premium costs are significantly higher than they otherwise would be.

Q Is this the only way to handle this? It seems highly unfair to the 30% who are not protected by hold harmless.

A Because this method raises serious equity issues, and the likelihood that the problem will occur with greater frequency in the future, TSCL argues that Congress could reduce or eliminate the problem by focusing on providing more adequate Social Security benefits. Ensuring an adequate COLA in the January payment, through a benefit boost or emergency COLA, could provide the funds needed to cover increases in Medicare Part B premiums. The Medicare premium would not need to be adjusted, and costs would not be shifted to the millions who are not protected by hold harmless, keeping premium increases smaller and more affordable.

Over the past two decades, Medicare premiums have grown, on average, four times faster than COLAs. Without ensuring more adequate inflation adjustments for Social Security that better factor in today's level of rising Medicare premium costs, the triggering of hold harmless and spiking Medicare Part B premiums will continue to be an ongoing burden for beneficiaries and create Medicare funding problems for Congress.

To learn more, visit www.SeniorsLeague.org. ■

ASK THE ADVISOR

What is the Total Out-of-Pocket Cost for Drug Coverage in 2021?

Q: Can you explain the Part D coverage gap? I thought the Part D doughnut hole was closed by past legislation.

A: Unlike insurance for younger working adults, there is no annual cap on Medicare Part D expenditures. But there is an out-of-pocket threshold, after you spend a certain amount out-of-pocket, that qualifies you for catastrophic coverage, where cost sharing is lower.

Part D's coverage gap, also known as the "doughnut hole" has changed since Part D first started in 2006, but beneficiaries still have considerable out-of-pocket costs which can rapidly drain retirement savings for people who require pricey prescription drugs.

The term doughnut hole is used to describe the third stage of Medicare Part D drug coverage which comes after the deductible and initial coverage stage. You reach the coverage gap when your formulary drug purchases exceed the annual initial coverage limit. The amount you spend out-of-pocket is reset at the beginning of each year and has grown very significantly in recent years.

The term "closing the doughnut hole" refers to a 75% discount on all formulary drugs purchased during this phase of coverage. Prior to the changes made under the Affordable Care Act in 2010, beneficiaries were responsible for 100% of the full retail costs of their drugs. In 2021 you pay 25% cost sharing during the coverage gap, but it is possible that the cost of your medications could increase, decrease, or stay the same in the gap.

In 2021, you will enter the coverage gap when the retail cost of your formulary drug purchases (meaning just the drugs that are covered by your plan) is over $345 per month. Retail costs include *what both you and your drug plan pay.* Depending how much you have to spend over $345 per month, that amount determines the month in which you will hit the coverage gap.

> . . . beneficiaries still have considerable out-of-pocket costs which can rapidly drain retirement savings for people who require pricey prescription drugs.

If your monthly retail formulary drug costs are over $838, you probably will leave the coverage gap phase and enter the catastrophic phase of coverage. This occurs when your total out-of-pocket costs exceeds $6,550 in 2021. However, if you are taking a prescription that's not covered by your drug plan, those out-of-pocket costs don't count toward catastrophic coverage. Medicare estimates that you will need to purchase covered prescriptions with a retail value of over $10,048 before exiting the coverage gap.

Even after exiting the coverage gap, you will still have out-of-pocket costs of the greater of 5% co-insurance or $3.70 for generic drugs and the greater of 5% or $9.20 for all other drugs.

There is no coverage gap if you have a low income and qualify for Medicare Extra Help. To learn if you qualify for Extra Help and to apply, visit www.ssa.gov. If you are found eligible for Extra Help, you will still need to select and enroll in a drug plan to receive coverage. Extra Help pays for most, or even all, of the drug plan premium and reduced co-pays. ■

Editor's note: *One of the best explanations of how the various stages of Part D coverage works can be found on Q1Medicare.com. The website is one of the largest independent websites providing reliable, accurate "education and support tools" for the Medicare community. It receives no funding from insurers and is not connected to the government. The information provided is clearly written and easy to understand.*

Is Social Security's COLA Failing Those It's Supposed to Protect? continued from page 1

Adjustment (COLA) received in 2020 which was 1.6%.

"Medicare premiums increase more than the COLA, so we seniors keep losing money. Our rent, property taxes, food prices, utilities are all going up, but our income keeps going down. So, what I could afford last year, I can't this year because we aren't gaining an increase. We are losing money every year," says Jane.

"Medicare doesn't cover all of our medical bills. To get enough to eat, I have to go to food banks to make it thru the month, and the food is not great," she says.

Jane feels that Congress is turning a blind eye. *"No one cares about us little people who worked all of our lives. Everyone can't be billionaires. I need surgery and I can't afford it. I will end up with frozen shoulder, but who cares about my problem?"* she asks.

Jane thinks Medicare should start at 62. *"My husband has Medicare, so we pay $144.90 month for that, and $158.00 month for his supplement. I DO NOT have health insurance because I am 63 and we can't afford to pay for my husband's insurance plus $500 a month premium for me. My insurance would have a $3,000 deductible and a total of $6,000 annual out-of-pocket. So, I have to be self-pay. I have this shoulder pain that I can't get treated for. I am in pain 24 hours a day,"* she says.

Jane is worried. *"I just don't know what will happen. We would love to stay in the house we worked so hard for. It's not a fancy house—built in 1950—it's a small rancher. But we probably will have to sell it in order to live. I just don't know what to do. This government really doesn't care about their seniors."*

TSCL has heard from dozens of you with comments like Jane's. According to a report by the Government Accountability Office, roughly 48% of Americans approaching retirement have no retirement savings at all. This means the majority of retirees are depending on Social Security for the majority of their income.

Next month, the annual COLA for 2021 will increase the benefits of more than 61 million Social Security recipients by just 1.3%—one of the lowest increases ever paid. Since 2010, there has been no COLA at all in 2010, 2011, and 2016. In 2017 the COLA was just 0.03%. This trend is not normal, but a clear sign that the inflation adjustment for Social Security benefits is failing the very people it was designed to protect.

The 1.3% COLA is so low, that a very significant number of Social Security beneficiaries—those with the lowest benefits—are at risk of seeing their COLA completely consumed by the Medicare Part B premium increase in 2021. Even worse, because Medicare Part B premiums are growing several times faster than the COLA, this situation is unlikely to change unless legislation is enacted that would boost Social Security benefits for all retirees.

TSCL strongly supports legislation that would strengthen Social Security benefits four ways:

- Boost benefits for all retirees.
- Provide more adequate annual COLAs by tying adjustments to the Consumer Price Index for the Elderly (CPI-E), which tends to grow modestly faster than the current index used to calculate the COLA.
- Enact legislation to ensure that COLAs are never lower than 3%.
- Increase revenues for Social Security.

Do you have comments about the annual COLA? Share your story here https://seniorsleague.salsalabs.org/contactus/index.html. ■

What's a Retiree's Secret Holiday Wish? A Higher COLA! continued from page 1

plumbing and I don't have any money for getting my car fixed, I've had to resort to a payday lender. So please tell me we get a HUGE raise in our Social Security checks! Thank you!

As people have been thrown out of work and lose their housing due to job losses and weather disasters, relatives (frequently Mom and Dad) are making room for adult children and their grandkids. This is occurring even when they, like Diana, are struggling to keep vehicles running and homes repaired, while just trying to meet ordinary basic expenses. The situation is overwhelming but, unless Congress takes action, there will be no bigger COLA for 2021.

TSCL continues to work with Congress in December, making the case for an emergency COLA or boost to Social Security benefits. Your continued contact with lawmakers, asking for an emergency COLA and help with Medicare costs, ensures this issue is not going away any time soon and, in doing so, you also do your part to help people like Diana.

During this holiday, I would like to encourage all of you to think of Diana and others you may know who really need help this year. Even though we are isolated, and many people are limited financially, we all can do something, even if it's something small that can mean a lot for someone else. Perhaps you can pick up groceries for someone who can't get out, help finish some yard clean up or, what one family does for me every year—call and sing carols over the phone. I'm sure you can think of great ideas about what you can do, and it can really help more than you may realize. Those small things are what draw us together and create lasting friendships.

Please join me in putting 2020 behind us and looking ahead for better times in the coming year! ■

Boosting Social Security: Important Now More than Ever; continued from page 3

Social Security's solvency. This difference in estimates is not uncommon, but when it occurs, both sides need to come together to resolve the differences. In TSCL's opinion, the funding issues could be resolved by tweaking the effective dates of the various provisions of the boost bill. There needs to be enough new revenues coming in to finance the boosted benefits.

However, little new work was achieved on the bill in 2020 because, by early in the year, the coronavirus changed Congressional priorities. Congress spent much of its time addressing the pandemic and how best to deal with the monumental loss of jobs and crashing economy. But the efforts of the political activists like you and thousands of other retirees are keeping the heat on this Social Security "boost" bill even though it's still bubbling on the back burner. In fact, the boost was floated during the negotiations over the April CARES coronavirus stimulus legislation as a way to help older Americans. Congress however, opted instead for the $1,200 stimulus checks in that legislation and those checks included retirees.

Boosting Social Security is not going away. The vast majority of retirees, 83%, support this legislation and want to see it enacted into law. Rest assured we will continue to press for passage. TSCL is pleased to hear from you and we hope you will join our efforts to keep this bill moving forward in 2021. ■

SOCIAL SECURITY & MEDICARE QUESTIONS

Can I Get My Medigap Plan Back if I Try Medicare Advantage But Don't Like It?

Q: I'm thinking about dropping my Medigap supplement to sign up for a new Medicare Advantage plan. Can I get my former Medigap policy back if I try the Medicare Advantage plan and don't like it?

A: Chances are no, unless you can meet certain specific circumstances.

Medigap plans are supplements to traditional Medicare. Those plans tend to cover many or most of the substantial out-of-pocket costs not fully covered by Medicare, and are generally less expensive when you are hospitalized. While many retirees love the policies, the premiums can be high and can increase rapidly. In addition, you still need to pay for a free-standing Part D plan in order to get coverage for prescription drugs. Depending on where you live, there may be more competitively priced Medicare Advantage options, many of which include prescription drug coverage.

The problem with giving up your Medicare supplement is the fact that you may not be able to get it back if you change your mind. The best time to enroll in Medigap is your Initial Medicare Enrollment period during the six-month period that starts when you:

- first become eligible for Medicare, and,
- you're 65 or older and,
- have Medicare Part B.

During this period, you can purchase any Medigap policy and the insurance company can't turn you down or charge you higher premiums due to pre-existing conditions. Outside of this guaranteed issue period, however, you can get into trouble if you try to switch plans. You could be charged higher premiums, waiting periods may be imposed, or, you may even be turned down altogether.

There are only a few limited situations in which you may be able to enroll in a Medigap plan with guaranteed issue outside of your Initial Enrollment period. That includes if you have dropped your Medigap plan to enroll in a Medicare Advantage plan for the first time, *change your mind in the first year,* and want to switch back to Original Medicare and your Medigap plan. Depending on where you live, you may be allowed to enroll in any Medigap plan offered in your state, or you may only be allowed to enroll in certain policies.

The cost of making the wrong choice could be very expensive. We strongly recommend that you get free, unbiased counseling through your state health insurance assistance program (SHIP). While the names of these programs vary, you can find contact information for the program in your area at www.shiptacenter.org. ■