



The Gassman Financial Group

Providing tax, financial, and business advice & perspective

Social Security in Four Parts

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Part 3: Benefit Categories

The Social Security Act of 1935 and its amendments created four categories of benefits, each based on the earnings records of a covered worker, and each designed to provide a basic level of economic security. In the third segment of our four-part series, we'll focus on retirement benefits that are linked to the earnings of an individual worker.



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Part 2: Eligibility and

benefits

In part two of our summary of the Social Security program, we'll discuss the qualification requirements for retirement benefits, how they are calculated and adjusted, the point at which beneficiaries attain their full retirement age (FRA), and important rules for early or delayed filing. Our final segments will provide a summary of the types of benefits available, and some simple strategies that can help readers maximize their benefits.

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Part 1: history and future

The Social Security Act was signed into law on August 14, 1935, creating a social insurance program to pay retired workers age 65 and older a stable income after retirement. Enacted in the midst of the Great Depression in response to crushing poverty and a shift from agrarian self-sufficiency to post-industrial urbanization, the original Act sought to provide Americans with protection against the “hazards and vicissitudes of life”. Since its inception, millions of Americans have received benefits from the program, yet despite strong public support, the program has faced a series of [funding challenges](https://www.cbpp.org/research/social-security/financial-challenges-facing-social-security-and-medicare-largely-unchanged) (<https://www.cbpp.org/research/social-security/financial-challenges-facing-social-security-and-medicare-largely-unchanged>) that continues to threaten its existence.

□ [Social Security](#), [Uncategorized](#) □ [History of Social Security](#), [retirement income planning](#), [Retirement planning](#), [Social Security](#), [Social Security Awareness Month](#), [Social Security Benefits](#), [Social Security Funding](#), [Social Security History](#), [Social Security income](#), [Social Security Trustees](#)

Budgeting with Purpose: why a budget is important and how to make one

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Developing a budget may seem a near perfect manifestation of drudgery, which in turn may help explain why so few people expend their time and energy creating one. While budgeting is not an especially creative endeavor (after all, who wants a creative budget?), the effort can pay dividends by placing you more firmly in control of how your money is being allocated. A budget serves as the foundation of a good financial plan. It helps you make informed decisions related to savings, investments, and the trade-off between current and future consumption.

[Budgeting, Miscellaneous, Uncategorized](#) [budget, Budgeting, Budgeting 101, How to budget, How to make a budget, Retirement Budget](#)

What is a retirement income planner and why do you need one?

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Spend an hour in your local library reviewing digitized newspapers from recent decades and the conspicuous dearth of articles focusing on retirement planning may seem odd. Our focus on retirement planning is a relatively recent development and the Retirement Income Planner is a job that did not exist just a few decades ago. Unlike the Social Media Managers and App developers that emerged from nascent technology, the history of financial services predates the Greek Empire, and a modern stockbroker or insurance salesperson would be recognizable to someone alive in the early decades of the last century.

[Long Term Care](#), [medicare](#), [Miscellaneous](#), [Retirement](#), [Uncategorized](#) [CFP](#), [Retirement Income Planner](#), [retirement income planning](#), [Retirement planning](#), [RICP](#)

A day in the life: how thinking about retirement today can help you down the road

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Imagine that you're playing a game of Charades and you've been assigned the task of communicating the process of retirement planning using only a series of gestures. Do you reach for your imaginary calculator and frantically punch numbers into thin air while transmuting the imaginary results onto your imaginary blackboard? Recognizing what a lousy hand that you've been dealt, do you secretly wish that you'd have drawn the stroke-victim card instead?

[Miscellaneous](#), [Retirement](#), [Uncategorized](#) [a day in the life](#), [non-financial retirement considerations](#), [Retirement planning](#), [retirement planning considerations](#)

10 Painless Financial Resolutions You Can Actually Keep

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A new year is a time for self-improvement and renewal. Where bad habits and regret are cast aside and replaced with virtuous activities that are intended to make us better human beings. Good intentions and optimism may carry the day and help some attain their goals of better health, greater wealth, or a host of other desirable outcomes. The odds, however, are stacked in favor of inertia with more than 80% of new year's resolutions failing by mid-February.

[Estate, Identity Theft, investments, Miscellaneous, Uncategorized](#) [2019 new year's resolutions, 2019 planning, 2019 resolutions, financial resolutions, new year's resolutions, resolutions](#)

Planning for Required Minimum Distributions

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Tax deferral is a powerful wealth-building tool, enabling individuals to delay paying taxes on their investment earnings and allowing more of these earnings to compound over time. But unlike diamonds or that cast-iron skillet that you inherited from your grandmother, tax deferral doesn't last forever. Planning for required minimum distributions (RMDs) is an important part of a sound retirement income plan.

[Charity, investments, Retirement, Tax, Uncategorized](#) [401k, distributions, IRA, required minimum distribution, Required minimum distributions, RMD, RMD Planning, RMD Planning Opportunities, Roth 401\(k\), Roth IRA](#)

2018 Medicare Open Enrollment: a shopper's guide

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MEDICARE?



It's that time of year again. If you're one of the roughly 44 million Americans enrolled in Medicare, get ready for some year-end shopping. Medicare's annual open enrollment period runs from October 15th until December 7th and presents seniors with a great opportunity to manage their health care costs for the coming year. Any changes or new enrollment will become effective on January 1, 2019.

There are several important changes to the Medicare program for 2019, including the elimination of the coverage gap for certain prescription drugs and updates to the Medicare Plan Finder tool that will make it easier to use. Beneficiaries should note that Medicare Advantage and Medicare Part D prescription drug plans can and do make changes throughout the year that may affect their coverage. And even if you're content with your existing plan, options with better coverage, fewer restrictions, and lower costs may be available. Now is your chance to find them.

[Insurance, medicare, Miscellaneous, Uncategorized](#) [2019 Medicare changes, 2019 Medicare Open Enrollment, 2019 Medicare Planning, fall open enrollment, medicare, Medicare Fall Open Enrollment, Medicare Open Enrollment, Open enrollment, Part B, Part D](#)

Medicare mailings: culling for dollars

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A visit to the mailbox is an unrewarding chore for many of us, and retirees are no exception. Slogging through a mountain of credit card applications, donation requests, assorted fliers, catalogs and magazine offers are enough to make answering a robocall from a political super PAC seem like an attractive diversion. The month of September, however, offers Medicare beneficiaries a worthwhile excuse to cull the contents of their mailbox in search of some important Medicare informational mailings. Mailings that just may save you some money! Medicare beneficiaries should be on the lookout for the following consumer mailings from the Centers for Medicare & Medicaid Services (CMS) and their insurance plans.

Annual Notice of Change

The Annual Notice of Change (ANOC) is a booklet that is provided to individuals that are enrolled in a Medicare Advantage or Medicare Part D prescription drug plan and explains changes to the plan for the coming year. These may include updates to the plan's service area, premiums, deductibles, copayments or coinsurance, as well as changes to the plan's prescription drug coverage and formulary. This information is provided by the insurance plan and should be received by the beneficiary by September 30th.

Evidence of coverage (EOC)

This document is generally sent with the ANOC and describes in considerable detail the health care benefits provided by the plan. It documents what the plan covers, how it works, how to access plan benefits or file a complaint or appeal, and defines the beneficiary's rights and responsibilities under the plan. With the heft of a phone book, it's difficult to miss.

“Medicare and You” handbook

Mailed to all Medicare beneficiaries in late September, the handbook is a comprehensive guide to all aspects of Medicare coverage. In addition to information pertaining to benefits, it lists covered services and available health and drug plans. An excellent reference, the handbook is also available online at [Medicare.gov](https://www.medicare.gov/sites/default/files/2018-09/10050-medicare-and-you.pdf) (<https://www.medicare.gov/sites/default/files/2018-09/10050-medicare-and-you.pdf>).

Notice of Creditable Coverage

Employers who sponsor a group health plan that offers prescription drug coverage, regardless of the plan's size, and including public sector, government and not-for-profit organizations, must notify their Medicare-eligible beneficiaries by October 15th whether their plan's prescription drug coverage is creditable. A plan with creditable prescription drug coverage is one that provides a benefit at least as good as that provided by Medicare. Medicare-eligible beneficiaries with creditable drug coverage can delay enrollment in Medicare Part D without incurring a [late enrollment penalty](https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/part-d-late-enrollment-penalty) (<https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/part-d-late-enrollment-penalty>).

What to do?

Medicare beneficiaries that are enrolled in a Medicare Advantage (MA) plan should review the plan's service area and participating providers list each year to ensure that it continues to meet their needs. Make sure to verify that your favorite medical facilities and service providers accept the plan. If you've moved, had a material change in health, or a favorite provider is no longer participating in the plan it may be wise to look for a new plan. For those that wish to change from a Medicare Advantage plan to Original Medicare, the 2019 Medicare Advantage Disenrollment period (January 1- February 14) affords beneficiaries with the ability to switch back to Original Medicare and, for the first time, to sign up for a stand-alone Medicare Part D prescription drug plan.

Medicare Advantage and Medicare Part D plan beneficiaries should review their plan's prescription drug coverage annually. Medicare Advantage plans generally, but not always, include drug coverage, while Medicare Part D plans are most often utilized by those that receive their medical coverage through Original Medicare. It is important to review the plan's prescription drug formulary each year to determine whether your medications are covered under the plan, and which pricing tier they are assigned. A relatively painless way to check your plan's prescription drug formulary, and identify a plan that best suits your needs, is to utilize the [Medicare Plan Finder tool](https://www.medicare.gov/find-a-plan/questions/home.aspx) (<https://www.medicare.gov/find-a-plan/questions/home.aspx>).

A word of caution about Medicare Supplement (Medigap) Plans

Medicare Supplement (Medigap) plans are offered for sale throughout the year, though attempting to purchase a plan outside of your Medigap Open Enrollment Period may subject you to medical underwriting. Guaranteed-issue rights are afforded to beneficiaries that sign up during their open enrollment period, which lasts for six months and begins on the first day of the month in which they are age 65 or older and enrolled in Medicare Part B. During this period, insurers cannot charge a higher premium or deny coverage because of a preexisting condition (although they may delay coverage for up to six months).

Although certain states, including NY, CT, MA and ME provide residents with guaranteed issue rights that are either continuous or extended on an annual basis, most states afford little or no protection. Medicare beneficiaries should exercise caution when attempting to purchase a plan outside of their Medigap Open Enrollment Period. For help understanding the protections afforded in your state, contact your State Health Insurance Program (<https://www.shiptacenter.org/>) counselor for assistance.

Medicare Open Enrollment is a once a year opportunity to review your health insurance coverage and take control of your health care spending for the coming year. Although changes to existing coverage are not always warranted, far too many beneficiaries fail to take the opportunity to review and update their plans. Just this once, a trip to the mailbox may actually save you money. And isn't that worth slogging through a pile of junk mail?

Sincerely,



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□ [medicare, Uncategorized](#) □ [Annual Notice of Change, ANOC, EOC, Evidence of Coverage, fall open enrollment, medicare, Medicare and You, Medicare Fall Open Enrollment, Medicare Part D, Medicare Supplement, medigap, Open enrollment](#)

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