

## **Savvy Senior – August columns**

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### **Savvy Senior**

#### **How to Find Senior Discounts**

One of the great perks of growing older in the U.S. is the many discounts that are available to seniors. While the recession has caused many companies to cut back or eliminate their senior discount programs, there are still plenty of good deals out there. You just have to dig a little deeper. Here are some tips and tools to help.

#### **Just Ask**

The first thing to know is that not all businesses advertise it, but many give senior discounts just for the asking – so don't ever be shy or embarrassed to ask. You also need to know that some discounts are available as soon as you turn 50, while others may not kick in until you turn 55, 60, 62 or 65. Here are some other tips that can help you find the best deals and discounts.

#### **Web Search**

The single best resource for finding senior discounts is *SeniorDiscounts.com*. A savvy resource that lists more than 150,000 businesses offering senior breaks on a wide variety of products and services like airlines, car rentals, travel, recreation, local transportation, shopping, restaurants, hotels, state and national parks, medical services, pharmacies and museums. For an annual fee of \$8 you can find discounts by the city, state, or zip code, or by the category you're interested in. Or for \$13 you can find and get discounts through their members-only club, and receive a printed copy of their SeniorDiscounts Guide to boot. Also check out *SeasonedSpender.com* and *Bargains4seniors.com*, two less established sites that let you search for discounts and deals for free.

#### **Join a Club**

Another avenue to senior discounts is through clubs and organizations. The one you're probably most familiar with is AARP ([www.aarp.org](http://www.aarp.org); 888-687-2277), which offers its members (age 50 and older) a wide variety of discounts through affiliate businesses. Annual AARP membership is \$16. But that's not all! There are other groups you may not think about or be familiar with such as The Seniors Coalition ([www.senior.org](http://www.senior.org)), an education and advocacy organization that provides discounts to its more than 4 million members – you can join at any age for \$13.50. Or, if you're a current, former or retired federal employee, you can get discounts by joining the National Association of Active and Retired Federal Employees, or NARFE ([www.narfe.org](http://www.narfe.org); 800-627-3394). Also consider AAA ([www.aaa.com](http://www.aaa.com)). While you don't have to be a senior to join, AAA provides a variety of travel and shopping discounts to go along with their emergency roadside services.

#### **Travel Discounts**

If you're interested in discounted travel there are loads of options, most of which can be found at *Seniordiscounts.com*, or if you join an organization, through their Web sites and membership materials. In the meantime here are some of the best deals you should know about.

- Hotels: While most hotels offer minimal senior discounts, the Hyatt ([www.hyatt.com](http://www.hyatt.com); 888-591-1234) offers the biggest – up to 50 percent off to seniors, age 62 and older.
- Transportation: The only domestic airline that still gives discounts to seniors today is Southwest ([www.southwest.com](http://www.southwest.com); 800-435-9792), which offers senior fares to passengers age 65 and up. For train travel Amtrak offers a 15 percent discount to coach travelers age 62 and older ([www.amtrak.com](http://www.amtrak.com); 800-872-7245). And if you're going by bus, Greyhound ([www.greyhound.com](http://www.greyhound.com); 800-231-2222) offers a 5 percent discount on unrestricted fares to seniors over 62. Also, most local bus lines offer discounted senior passes.
- Car rentals: Most car rental companies offer discounts to seniors, especially to club members like AARP and AAA.
- National Parks: One of the best travel deals available is the “America The Beautiful – Senior Pass” ([www.nps.gov/fees\\_passes.htm](http://www.nps.gov/fees_passes.htm)). This is a lifetime pass that will let you and anyone in your car into national parks, forest, recreation areas and monument grounds. Available to those 62 or older, you can get it at one of the federal recreation sites for a one-time fee of \$10, and it never expires.

**Savvy Tip:** Another great resource is Joan Rattner Heilman's book “Unbelievably Good Deals and Great Adventures That You Absolutely Can't Get Unless You're Over 50,” (McGraw-Hill; \$16.95). In its 18<sup>th</sup> edition, the 2009-2010 version lists hundreds of discounts, perks and privileges on just about everything. You can find this book online and in bookstores nationwide.

Send your senior questions to: Savvy Senior, P.O. Box 5443, Norman, OK 73070, or visit [www.savvysenior.org](http://www.savvysenior.org). Jim Miller is a regular contributor to the *NBC Today Show* and author of "The Savvy Senior" book.

## Savvy Senior

### **Immediate Annuities: A Safe Way to Boost Your Retirement Income**

If you're worried that you'll outlive your money, or if you don't have enough guaranteed income from Social Security or other pensions to cover you basic needs, or if you don't have the stomach for the stock market anymore, a fixed immediate annuity is definitely an option worth considering. Here's what you should know.

#### **Guaranteed Income**

A fixed immediate annuity, also known as an income annuity, is like a do-it-yourself pension that can provide you with a guaranteed stream of income for as long as you live. How it works is you pay an insurance company a lump-sum payment, and the insurance company provides you with a guaranteed monthly check (immediately) for the rest of your life or for a specific period of time, whatever you choose. But the bad news is that with most immediate annuities, once you hand over your payment to the insurance company, you're locked into the payment agreement and you lose access to your money.

## **How Much**

The amount of monthly income you'll receive from an immediate annuity will depend on your age (the older you are the more you'll get), gender (women receive slightly less because they tend to live longer), the size of your investment, long-term interest rates and any special features you choose. For example, in exchange for a \$100,000 lump-sum payment, a 70-year-old woman could get around \$700 every month for the rest of her life.

## **Annuity Choices**

Immediate annuities also come with a variety payout options to meet your specific needs and lifestyle. Your choices include the:

- **Single-life annuity:** This is the most basic option that provides fixed monthly payments for the rest of your life, but payments stop when you die, whether it's tomorrow or 50 years later. Or, if this seems too risky, you can opt for a single-life annuity rider that provides payouts or refunds to your heirs if you die early. These security options, however, will lower your monthly payout.
- **Joint-life annuity:** Generally purchased by married couples, this type of annuity makes payments as long as one spouse is alive. In some cases this option will pay less money after the death of one spouse. And because two lives are covered instead of one (which makes life expectancy higher), the monthly payment is smaller than a single-life annuity.
- **Fixed-period annuity:** This option pays income for a specific length of time, usually ranging between 5 and 30 years. If you die early before your fixed period expires, your beneficiary will receive your payments until the term expires.

In addition to these basic payout options, many insurance companies may offer a variety of other features to entice you, but keep in mind that more features usually means a lower payout.

## **Inflation Protection**

Another concern with fixed annuities is inflation, which erodes the value of your payment over time. To protect against this you can get an annuity with an inflation-adjusted rider which offers a smaller payout initially but increases each year.

Or, another way to fight inflation is to "ladder" annuities by buying additional fixed-rate annuities every few years. This allows you to capture higher payments as you age, and the interest rates, which are low right now, may rise in future years also giving you a higher payout.

## **Shopping and Investing**

To get personalized annuity quotes visit [www.immediateannuities.com](http://www.immediateannuities.com). Also be sure the insurance companies you're considering have high financial strength ratings. Look for a rating of A+ or better by A.M. Best at [www.ambest.com](http://www.ambest.com) or call 908-439-2200. And as far as how much to invest, most experts recommend investing only a portion (25 to 50

percent) of your retirement savings in an immediate annuity, or just enough to cover your monthly expenses.

**Savvy Tip:** If you buy an immediate annuity with an insurance company that goes out of business, you can count on some protection (usually between \$100,000 and \$300,000 worth of coverage) from your state guaranty association. See [www.nolhga.com](http://www.nolhga.com) and click on “State Associations” to learn more.

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## Savvy Senior

### How to Find Cheaper Prescription Drugs

Anyone who takes prescription medication on a regular basis knows how expensive drugs can be. Fortunately, there are a number of places where you can buy your drugs for less, or even get them for free. The key is knowing where to look.

#### Drug Assistance Programs

Through pharmaceutical companies, government agencies and charitable organizations, there are literally hundreds of programs available today that provide low-cost or free drugs to people in need. Many programs can also help seniors with a Medicare prescription drug plan avoid their “doughnut hole” coverage gap, or reduce their costs once they reach it.

Although most drug assistance programs have income requirements, don’t assume you won’t be accepted because you think your income is too high. Many programs will consider applications on a case-by-case basis. Here are some great resources for finding and navigating the many programs that are available.

- Partnership for Prescription Assistance ([www.pparx.org](http://www.pparx.org); 888-477-2669): This is a network of pharmaceutical companies and professional medical organizations that can match you to more than 475 public and private patient/drug assistance programs that offer more than 2,500 drugs at reduced cost or at no charge.
- RX Assist ([www.rxassist.org](http://www.rxassist.org)): Created by Volunteers in Health Care, RX Assist allows you to search a database of patient-assistance programs by medications. It also provides tip sheets on getting free or low-cost medications, information on copay, generic drugs and other types of assistance programs.
- NeedyMeds ([www.needymeds.org](http://www.needymeds.org)): This is a non-profit resource that will let you search for drug-assistance programs, download applications and find assistance based on disease. It also provides links to state sponsored programs that provide prescription drug coverage or subsidies to low-income people who aren’t poor enough to qualify for Medicaid.

#### Discount Cards

Another way to cut your medication costs is with drug discount cards, and a good starting point is Together Rx Access ([www.togetherrxaccess.com](http://www.togetherrxaccess.com); 800-444-4106). Backed by a

consortium of pharmaceutical companies, this free prescription savings program provides a 25 to 40 percent savings on more than 300 brand-name and generic drugs. This program is available to people who don't have drug coverage with annual incomes of \$45,000 or less for individuals, \$60,000 for a family of two, and up to \$105,000 for a family of five. Other drug card programs you should look at include [www.rxsavingsplus.com](http://www.rxsavingsplus.com), [www.yourrxcard.com](http://www.yourrxcard.com), [www.rxfreecard.com](http://www.rxfreecard.com), [www.pscard.com](http://www.pscard.com), [www.familywize.com](http://www.familywize.com) and [www.freedrugcard.us](http://www.freedrugcard.us). These are all free programs with no eligibility requirements.

### **Buy Generic**

Another big money saver is to ask your doctor or pharmacist if the medication you're taking is available in generic form. Many chains like Wal-Mart, Target, Costco, Kmart, CVS, Walgreens and Safeway offer great deals on many generic drugs. Wal-Mart for example charges only \$4 for a 30-day supply and \$10 for a 90-day supply with no eligibility restrictions. You can also find great generic deals online at sites like Rx Outreach ([www.rxoutreach.com](http://www.rxoutreach.com); 800-769-3880) and Xubex Pharmaceutical ([www.xubex.com](http://www.xubex.com); 866-699-8239).

### **Medicare Help**

For Medicare beneficiaries, if your annual income is less than \$16,245 for an individual (\$21,855 for a married couple living together) in 2009, you may be eligible for some extra help in paying for your medication. Call Social Security at 800-772-1213 to see if you qualify.

**Savvy Tip:** If you find that you're not eligible for the drug-discount programs and generics aren't available, another way you can save money is by finding the pharmacies that offer the lowest prices. Go to [www.destinationrx.com](http://www.destinationrx.com) and register – it's free. Then type in the medicine you're looking for and click on "Compare Pharmacy Prices" for a cost comparison of online, mail-order and local pharmacies.

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## **Savvy Senior**

### **How to Pick a Medicare Supplemental Policy**

If you're nearing age 65, chances are you'll be applying for Medicare coverage. But be aware that you'll be on the hook for the costs of deductibles, co-payments and other out-of-pocket expenses that the federal healthcare program doesn't cover. If you're opting for traditional Medicare Part A and B, you'll want to consider a supplemental policy (also known as Medigap insurance). Medigap insurance helps pay for things that traditional Medicare doesn't cover. Here's what you should know.

### **ABCs of Medigap**

Medigap policies, which are sold by private health insurers, come in 12 standardized benefit packages, labeled "A" through "L." The coverage and price generally increase as you move through the alphabet from the basic Plan A through the more comprehensive Plan J. Plans K and L are high-deductible policies that carry lower premiums but higher

out-of-pocket costs. The most popular choice is Plan F, which strikes a good balance between costs (averaging around \$160 per month) and coverage. (Note: If you live in Massachusetts, Minnesota or Wisconsin you have a different set of Medigap plans.)

### **How to Choose**

To choose a policy, consider your health status and family medical history. The differences among plans can be small and rather confusing so you'll need to do some homework to pick the right plan. To help you get started go to the Medicare Options Compare tool at *Medicare.gov/mppf*. Once you get there, click on "Find & Compare Medigap Policies" then type in your zip code. It will give you a break down of what each plan covers, along with a list of companies that offer them in your area.

Since all Medigap policies with the same letter cover the exact same benefits, you should shop for the cheapest policy. You can get the best price if you sign up within six months after enrolling in Medicare Part B. During this open-enrollment period, an insurer cannot refuse to sell you a policy or charge you more because of medical issues.

You also need to be aware of the three company pricing methods which will affect your costs. Medigap policies are usually sold as either "attained-age" policies, which are premiums that start low but rise every year as you get older. "Issue-age" policies, which only increase prices because of inflation, not because of your age (these policies may start out a little more expensive than attained-age policies but may save you money in the long run). And "community-rate" policies, which are where everyone in an area is charged the same premium regardless of age.

### **No Drug Coverage**

Medigap policies no longer cover prescription drugs. If you don't have drug coverage you need to consider buying a separate Medicare Part D drug plan too. You can compare drug plans and cost at *Medicare.gov/mpdpf*. Also note that standard Medigap plans do not cover vision or dental care, hearing aids or private-duty nursing.

### **All-In-One Plans**

Another option to consider is a Medicare Advantage plan. Instead of paying separately for Medicare Part B, plus a Medigap supplemental policy and a Part D drug plan you could sign up for a Medicare Advantage plan that provides all-in-one coverage. These plans, which are sold by insurance companies, are generally available through HMOs and PPOs. To find and compare Advantage plans visit *Medicare.gov/mppf*.

### **Low Income Help**

If you have limited income there are a variety of programs that may be able to help you cut or eliminate your health care costs such as Medicare Savings Programs, Medicaid, and prescription drug assistance. To find out if you qualify, visit *Benefitcheckup.org*.

**Savvy Tips:** If you need help or if you don't have Internet access, call Medicare at 800-633-4227 for assistance over the phone. Also ask them to send you a free copy of the "2009 Choosing a Medigap Policy," publication 02110. Another good source for help is

your State Health Insurance Assistance Program (SHIP) which provides free one-on-one Medicare counseling. To find a local SHIP counselor call 800-677-1116 or visit *Shiptalk.org*.

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