VEYL ADVISORS

VEYL RESOURCE GUIDE

Connected Retirement Decision Guide

A practical guide to understanding how decisions about Social Security, Medicare, retirement income, taxes, employer coverage, healthcare, future care, and family needs can affect one another.

Retirement decisions do not happen in isolation.
See the connections before you decide.

Veyl Advisors
Retirement clarity, guided.

CONNECTED DECISIONS

- Social Security
- Medicare
- Retirement income
- Taxes
- Employer coverage
- Healthcare
- Future care
- Spouse and family needs

Retirement is not a collection of separate decisions.

It is a connected system. A Social Security decision may affect monthly income. That income may affect taxes. Taxable income may affect Medicare premiums. The age someone begins Social Security may determine whether Medicare enrollment happens automatically.

A Medicare decision may affect doctors, prescriptions, travel, and monthly expenses. A retirement-income decision may affect the surviving spouse, future care, and how long savings must last.

One decision can create a chain reaction

Social Security timing

Monthly retirement income, survivor income, taxable income, automatic Medicare enrollment, and how much must be withdrawn from savings.

Medicare timing and coverage

Employer coverage, HSA contributions, monthly premiums, prescription costs, provider access, and retirement cash flow.

Retirement withdrawals

Taxable income, Social Security taxation, future Medicare premiums, investment longevity, and required distributions later.

Family and future care

Housing, insurance, available income, spouse protection, caregiver responsibilities, and estate or legal decisions.

The core question
If I make this decision here, what else could it change later?

The original guide correctly frames retirement decisions as a chain reaction rather than isolated choices.

Claiming Social Security can change what happens at Medicare age.

Social Security retirement benefits may begin as early as age 62. For someone whose full retirement age is 67, beginning at 62 can reduce the monthly retirement benefit by as much as 30%. That reduction generally continues for life.

62
Social Security may begin early, usually with a reduced monthly benefit.

→

65
If receiving Social Security for at least four months, Medicare generally enrolls the person automatically in Part A and Part B.

→

67
Full retirement age for people attaining age 62 in 2026.

→

Net check
Part B premium is usually deducted from Social Security once benefits are received.

If Social Security began before 65, a Medicare welcome package and card are generally mailed about three months before coverage begins. The person must still decide whether to keep Part B if actively employed, how Original Medicare or Medicare Advantage fits, whether prescription-drug coverage is needed, whether Medigap should be considered, and how existing employer or retiree coverage works with Medicare.

If Social Security has not begun, someone delaying Social Security until after 65 generally must take separate action to enroll in Medicare at the appropriate time. Delaying Social Security does not automatically delay Medicare eligibility.

Claim Social Security at 62
Reduced monthly benefit

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Automatic Medicare at 65
Part A and Part B enrollment

→

Part B premium deducted
Different net retirement income

The planning question
Are Social Security and Medicare being timed together—or is each decision being made without considering the other?

Source note: Social Security Administration and Medicare.gov. Enrollment circumstances vary, particularly for people living outside the continental United States or receiving disability benefits.

Continuing to work can change the Medicare decision.

Someone who works past 65 may be able to delay Part B without a penalty when they—or their spouse—remain covered through an active employer group health plan. But “I still have insurance” does not always mean Medicare can safely be delayed.

Active employer coverage

Confirm whether the plan is based on current employment, whether Medicare pays first or second, whether Part B can be delayed, whether drug coverage is creditable, how spouse coverage works, and what happens when employment ends.

COBRA and retiree coverage

COBRA does not extend the Part B Special Enrollment Period. Retiree coverage may also require Medicare Part A and Part B to pay properly.

HSA contributions

Once Medicare coverage begins, a person generally can no longer contribute to an HSA. Premium-free Part A may begin retroactively for as many as six months after applying beyond 65.

Prescription coverage

Going 63 consecutive days or more without Medicare drug coverage or other creditable prescription coverage can lead to a Part D penalty.

Working past 65
Employer coverage decision

→

Medicare timing
HSA eligibility

→

Prescription coverage
Possible penalties and cash-flow changes

The planning question
Has the employer confirmed how its coverage works with Medicare—or is the plan based on an assumption?

Source note: Medicare.gov, Social Security Administration, and IRS. Employer plans differ; confirm details with the benefits administrator.

Retirement income can affect more than the tax return.

Income decisions may influence

- ✓ Federal taxes
- ✓ Social Security taxation
- ✓ Medicare Part B premiums
- ✓ Medicare Part D adjustments
- ✓ Available cash flow
- ✓ Future required distributions

Social Security taxation

Depending on filing status and combined income, up to 85% of Social Security benefits may be included in federally taxable income. Combined income generally includes adjusted gross income, tax-exempt interest, and one-half of Social Security benefits.

Medicare's two-year lookback

Higher-income beneficiaries may pay IRMAA for Medicare Part B and Part D. Social Security generally determines IRMAA using modified adjusted gross income from the federal tax return filed for the year two years before the Medicare premium year.

Large IRA withdrawal or Roth conversion
Higher taxable income

→

More Social Security taxable
Medicare premiums may increase two years later

→

Lower net cash flow
Review tax and Medicare together

That does not mean withdrawals or Roth conversions are automatically wrong. It means the tax decision and Medicare-premium decision should be reviewed together. Under current law, RMDs generally begin at age 73 for many current retirees, while the applicable age increases to 75 for certain younger individuals under the SECURE 2.0 schedule.

The planning question
Could an income decision made this year unexpectedly change taxes or Medicare costs later?

Source note: Social Security Administration and IRS. This guide does not provide tax advice; review tax strategies with a qualified tax professional.

A retirement decision that works for one spouse may not protect the household.

A married couple may receive two Social Security checks while both spouses are alive. After one spouse dies, the survivor does not generally continue receiving both full benefits. The surviving spouse may receive the higher eligible retirement or survivor amount. That means household income can decline even though many expenses remain.

Social Security claiming

Beginning early may provide more immediate income but permanently reduce the worker's monthly benefit. The higher earner's decision can also affect the survivor.

Pension elections

A single-life pension may provide more income while both spouses are alive but stop at death. A joint-and-survivor option may provide less initially but continue some income to the surviving spouse.

When one spouse dies

- ✓ One Social Security payment may end
- ✓ A pension may reduce or stop
- ✓ Filing status may change
- ✓ Medicare costs may change
- ✓ The survivor may rely more heavily on investments
- ✓ Care and housing needs may change

Beneficiaries and legal authority

Retirement accounts, life insurance, annuities, powers of attorney, healthcare directives, and beneficiary forms should reflect current wishes. Beneficiary designations may control where certain assets go, even when a will says something different.

Claiming and payout decisions today
Income available to both spouses

→

First death
Survivor income after the first death

→

Later needs
Taxes, healthcare, and withdrawals

The planning question
If either spouse died first, what income would continue—and would it be enough for the survivor?

A low premium does not always mean a low total cost.

A Medicare decision can affect much more than the monthly premium.

The broader comparison may include

- ✓ Doctor and hospital access
- ✓ Prescription coverage
- ✓ Pharmacy networks
- ✓ Deductibles
- ✓ Copayments and coinsurance
- ✓ Maximum out-of-pocket exposure
- ✓ Prior authorization
- ✓ Travel coverage
- ✓ Supplemental premiums
- ✓ Dental, vision, hearing, and other benefits

Coverage paths to review

Original Medicare and supplemental coverage

Medigap, separate Part D coverage, provider participation, premiums, out-of-pocket exposure, and travel needs.

Medicare Advantage

Provider networks, authorization rules, prescription coverage, maximum out-of-pocket limits, service area, travel needs, plan costs, and benefits.

A plan's premium alone does not show what prescriptions may cost. Formularies, tiers, preferred pharmacies, deductibles, and drug-specific cost sharing can all affect the result. Medicare plans send an Annual Notice of Change each fall, so a plan that worked well this year should still be reviewed for the following year.

Coverage choice
Provider and prescription access

→

Out-of-pocket costs
Withdrawal needs

→

Taxes and cash flow
Retirement cash-flow impact

The planning question
Is the Medicare decision being based on the premium—or on how the coverage may actually be used?

Healthcare coverage and long-term care planning are not the same thing.

Medicare helps cover qualifying medical care. It generally does not pay for most ongoing custodial long-term care, such as extended help with bathing, dressing, toileting, meals, transportation, or daily supervision when that is the primary need.

That distinction connects future care with

- ✓ Retirement income
- ✓ Savings
- ✓ Housing
- ✓ Insurance
- ✓ Medicaid planning
- ✓ Spouse protection
- ✓ Family caregiving
- ✓ Legal authority

If care begins at home

- ✓ Transportation
- ✓ Meals
- ✓ Medication reminders
- ✓ Personal care
- ✓ Appointment coordination
- ✓ Household support
- ✓ Financial administration

The cost may not initially appear as a facility bill. It may appear as reduced work hours, caregiver stress, home modifications, or greater household spending.

If care requires a different setting

- ✓ Home care
- ✓ Adult foster care
- ✓ Assisted living
- ✓ Memory care
- ✓ Skilled nursing
- ✓ Available assets and income
- ✓ Insurance benefits
- ✓ Medicaid eligibility
- ✓ Who has authority to decide

Health change
Care need
→
Housing and caregiver decision
Higher spending
→
Greater withdrawals
Effect on spouse income and family responsibilities

The planning question
If future care became necessary, which part of the retirement plan would be expected to pay for it?

Source note: Medicare generally does not cover most custodial long-term care. Medicaid and state programs have separate eligibility requirements.

NEXT STEP

A clearer retirement picture begins with connected decisions.

A retirement decision should not be evaluated only by asking whether it works today. It should also consider what it changes next, who else it affects, whether another deadline is triggered, how taxes and premiums may respond, what remains for the surviving spouse, how much flexibility remains later, and whether the family understands the plan.

The assessment can help reveal connections between:

- ✓ Social Security
- ✓ Medicare
- ✓ Retirement income
- ✓ Taxes
- ✓ Healthcare
- ✓ Long-term care
- ✓ Insurance
- ✓ Spouse and family decisions

Book a Call

Review the connected decisions before treating Social Security, Medicare, income, healthcare, and family needs as separate choices.

Book a Call

Uses the existing approved Veyl booking destination.

Start with the Retirement Assessment

The Veyl Retirement Assessment is a low-pressure way to identify which parts of your retirement picture may deserve a closer look.

Take the Retirement Assessment

See which retirement decisions may be connected before making them separately.

Educational only. No obligation. This guide is not a formal financial plan, tax or legal advice, a Medicare recommendation, Social Security recommendation, or insurance recommendation.