

MOLDENHAUER ASSOCIATES

AUGUST NEWSLETTER

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COMING TO GRIPS WITH AI: A RETIREE'S COMPANION TO EMBRACING ARTIFICIAL INTELLIGENCE

AI in Daily Life: Making Things Easier

Artificial Intelligence (AI) is no longer just a buzzword—it's part of our everyday lives. From smart thermostats to voice assistants, AI is quietly transforming how we live, communicate, and stay healthy. For retirees, this shift can feel overwhelming, but it also opens up exciting opportunities to stay connected, learn new things, and enjoy hobbies in fresh ways.

Healthcare

- Virtual assistants like Alexa or Siri can remind you to take medications.
- Wearables like smartwatches monitor heart rate, sleep, and activity.
- Telemedicine uses AI to help doctors diagnose conditions remotely, saving time and travel.

Finance

- Fraud detection systems use AI to spot unusual activity and protect your accounts.
- Budgeting apps help track spending and suggest ways to save, tailored to your habits.

Communication

- Voice-to-text tools make it easier to send messages or emails.
- Translation apps help you communicate while traveling or chatting with friends abroad.
- AI-powered hearing aids adjust automatically to different environments.

Smart Homes

- Thermostats learn your preferences and save energy.
- Security systems use facial recognition and motion detection.
- Voice-controlled lights and appliances make everyday tasks more convenient.

Emotional and Psychological Aspects: Adapting with Confidence

Facing Change

It's normal to feel hesitant about new technology. But remember—you've already adapted to many innovations over the years. AI is just another chapter.

Tips for easing into AI:

- Start small. Try using a voice assistant to set reminders or play music.
- Ask for help. Grandkids, neighbors, or local tech groups are often happy to assist.
- Stay curious. Exploring new tools keeps your mind active and engaged.

Finding Purpose in Retirement with AI

- Learn new skills, like painting or writing with AI support.
- Volunteer remotely, tutoring or mentoring through online platforms.
- Stay mentally sharp with AI-powered games and brain exercises.

AI and Human Connection

- Video calls with real-time translation help bridge language gaps.
- AI-generated photo albums organize memories beautifully.
- Chatbots offer friendly conversation and companionship when you need it.

How to Use AI Tools: A Beginner's Guide

Here are a few easy-to-use tools to get started:

- Google Assistant / Siri / Alexa: Ask questions, set reminders, play music.
- Duolingo: Learn a new language with fun, AI-guided lessons.
- Grammarly: Improve your writing with helpful suggestions.
- YouTube: AI recommends videos based on your interests.
- Zoom with AI captions: Great for hearing support during video calls.

Safety Tips:

- Use strong passwords and change them regularly.
- Be cautious of scams—AI can mimic voices and messages.
- Keep your devices and apps updated for security.

AI for Hobbies: Creativity Meets Technology

- Art: Create digital paintings with tools like DALL-E.
- Music: Compose songs using AI-generated melodies.
- Writing: Co-author stories or memoirs with AI assistance.
- Gardening: Use apps that suggest planting schedules and care tips.
- Genealogy: AI helps organize family trees and historical records.

Ethical and Societal Considerations: Your Voice Matters

AI raises important questions about how it's used:

- Privacy: Who sees your data and how is it protected?
- Bias: AI can reflect human prejudices if not carefully designed.

- Job displacement: Younger generations face changing career landscapes.

As a retiree, your life experience gives you a valuable perspective. You can help shape conversations about responsible and ethical AI use.

Retirees Who Embraced AI: Real Stories

- Joan, 72, writes poetry with the help of AI and shares it online.
- Carlos, 68, learned to code using AI tutors and now teaches kids.
- Linda, 75, organizes her travel photos into digital scrapbooks using AI.
- Robert, 70, volunteers as a tech mentor, helping others learn AI basics.

Final Thoughts

AI doesn't have to be intimidating. With a little curiosity and support, it can become a helpful companion in your retirement journey—enhancing your health, hobbies, and human connections.

Whether you're just starting out or already exploring, remember: it's never too late to learn something new.

The beforementioned is simply an example that can be used to make things easier.

This article was written with the help of Microsoft's co-pilot AI.

Brett Moldenhauer

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SHOULD YOU "UNRETIRE"?

You've planned, saved, and waited for retirement for years. When the time to stop working finally arrives, what will you do? You may be surprised to learn that many people go back to work.

People make this choice for a few different reasons. Some need the money, others crave social interaction, and some miss working for a goal or cause about which they're passionate. Whether your motivation falls into one of these categories or a different one, following are questions to ask yourself before deciding to start working again after you retire.

Do You Need the Money?

Many Americans lack the necessary savings to maintain the same lifestyle in retirement they had when employed. Others underestimate how long they'll live after retirement and don't have enough saved to last the rest of their lives. One obvious benefit of going back to work is earned income.

Given the current state of inflation and interest rates, it makes sense that many retirees return to work because they need money. But adding income doesn't just affect your bank account and spending capacity.

It also has ramifications on your social security payments, health benefits, and pension.

Social security

If you've reached full retirement age (66 or 67, depending on when you were born), additional income from a job won't reduce your social security benefits. If you've opted to start collecting social security before your full retirement age, however, there is a limit on how much you can earn without having your benefits reduced. The limit in 2025 is \$23,400. If you earn more than that at your job, you will have \$1 withheld from benefits for every \$2 over the limit. In the year you reach your full retirement age this limit increases to \$62,160, and \$1 will be withheld from benefits for every \$3 over the limit. Thankfully, once you reach full retirement age, that money will come back to you in the form of a higher check each month.

Health benefits

Once you turn 65, you qualify for Medicare. But earning additional income could push you to a higher tax bracket and, therefore, increase your Medicare premiums. If you're able to get medical coverage through your job, that might provide a more affordable option. You can then reenroll in Medicare later, though that comes with rules and deadlines you'll need to be aware of. The bottom line: Do your research on how working after retirement will affect your health benefits. Speak to a Medicare representative and/or benefits advisor at your company.

Pension

If you work for someone other than your original employer, your pension benefit won't be affected—you can work, receive a salary from your new employer, and also receive your pension benefit from your original employer. If, however, you continue to work past your retirement date for the same employer or you retire and then return to work for that employer, your pension may be affected in various ways.

Different plans have different stipulations regarding working and receiving your pension, so it's best to ask your company's plan administrator what your plan says. It's possible you can still receive your pension even if you continue to work. Other plans might suspend your pension while you work but will increase your payment when benefits resume to make up for the suspension.

There are some plans in which you'd forfeit the pension benefits during the time you're working.

Find out what the rules are for your company's plan so you don't unexpectedly lose benefits.

Do You Miss Your Coworkers?

Even if you don't need the extra income, you might miss the social interactions that come with a job. Or you might crave the mental stimulation from solving problems and working toward set goals. If your career was a passion, you might have a strong desire to continue working in that field after retirement. In these cases, you should still consider the financial effects of returning to work, but there are also nonmonetary factors to think about.

Work-life balance

If money isn't an issue, consider a part-time or flexible-schedule job. Freelancing or consulting will give you control over your time and allow you to maintain a healthy work-life balance. Tap into a hobby or passion to find a job you will enjoy. These types of roles can provide a purpose, activity, and goals—and likely won't feel as demanding as full-time work.

Health and well-being

The mental and physical toll of working is worth considering, too. If you've taken a break from your career due to retirement and you miss it, you might be forgetting the stress or physical demands that came with the job. Be sure to assess the psychological and physical impacts of returning to work to ensure that your overall well-being isn't compromised.

Deciding to work after retirement is a personal choice that should be based on individual circumstances and preferences. It offers the opportunity for financial security, mental stimulation, and passion pursuit; however, it also carries the risks of reduced leisure time, potential health challenges, and impacts on retirement benefits.

It's important to carefully weigh the pros and cons to make an informed decision that aligns with the retirement lifestyle you seek.

As always, we're available to advise you on retirement planning and the best course of action based on your personal goals and financial situation. Feel free to reach out to our office to discuss the option of working after retirement.

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WHAT DO I NEED TO KNOW ABOUT MEDICARE IF I HAVE EMPLOYER-PROVIDED HEALTH INSURANCE AFTER AGE 65?

As you approach your initial enrollment period, which begins three months before your 65th birthday, you may have several questions about Medicare enrollment if you or your spouse continue to work and have employer-provided coverage. Your specific circumstances, Medicare's payer rules, and the IRS's tax rules will determine the answers. Here are common questions and guidance about potential answers.

Am I Required to Enroll in Medicare When I'm First Eligible at Age 65?

The answer depends on whether you or your spouse are actively employed or can be covered by health insurance from an employer with 20 or more employees. Keep in mind, COBRA and retiree health coverage are not creditable coverage to avoid Part B late enrollment penalties.

- **At least 20 employees.** You can remain on an employer's health insurance plan if it has 20 or more employees. Your employer must continue to offer you the same health insurance that is available to employees who are younger than 65. You can also remain on your spouse's health insurance after your 65th birthday if the employer's plan covers spouses.
- **Fewer than 20 employees.** If your or your spouse's employer has fewer than 20 employees and is not part of a multiple employer group health plan, you must enroll in Medicare. Signing up during your initial enrollment period will help you avoid the potential for incurring Part B and Part D late enrollment premium penalties.

What Are the Medicare Part B and Part D Late Enrollment Premium Penalties?

Failure to complete timely enrollment in Part B can cause a 10 percent penalty to be added to your Part B premium. You will incur the 10 percent penalty if one year lapses after you should have enrolled during an initial or special enrollment period. The 10 percent penalty is *permanent* and is assessed for each 12-month period you fail to enroll. It will not be reduced or eliminated based on subsequent events or changes in income.

Part D assesses a 1 percent penalty for each month you fail to enroll and are not covered by a creditable prescription drug plan. In the context of Part D, creditable coverage is a prescription drug plan that pays as much as a standard Part D plan. The 1 percent penalty is calculated from the national Part D base premium. Like the Part B penalty, it is also *permanent*.

Since I Don't Have to Pay a Premium for Medicare Part A, Will I Effectively Receive Additional Hospital Insurance If I Only Enroll in Part A?

Part A is premium free if you or your spouse worked and paid FICA tax for at least 10 years. Employer-provided coverage is usually the primary payer if you are actively employed and under an employer plan with 20 or more employees. Medicare's coordination of coverage rules will determine whether Part A will pay for excess hospital charges. As the secondary payer, Medicare may cover the portion of hospital bills that an employer's health insurance does not cover.

Can Enrolling in Medicare Part A Cause Problems If I Have a High Deductible Health Plan (HDHP) and a Health Savings Account (HSA)?

Yes. Part A's retroactive coverage period can cause problems if you contribute to an HSA after age 65 and within six months of your Medicare enrollment. Avoid difficulties by keeping the following rules in mind:

1. You can contribute to an HSA if you have an HDHP. Medicare is not an HDHP, and you cannot contribute to an HSA if you are enrolled in any part of Medicare.
2. Medicare Part A has a six-month retroactive coverage period. If you enroll in Medicare more than six months after age 65, your Part A coverage will cover the six-month period before your enrollment.
3. Stop HSA contributions six months before Medicare enrollment to avoid an excess contribution to an HSA. You can prorate your HSA contributions based on your enrollment date. If you plan to enroll in Medicare in October, for example, you could contribute to an HSA through April. In 2025, the maximum for a family coverage HDHP/HSA is \$8,550, and the age 55 catch-up contribution is \$1,000. The prorated contribution is: $\$8,550 + \$1,000 / 12 \text{ months} = \$795.83 \times 4 \text{ months} = \$3,183$. Other factors to consider include the following:

- If your spouse is not yet eligible for Medicare and has an HDHP, they can continue to contribute to an individual HSA.
- You can use an HSA to pay for Medicare Part B, C, or D premiums; however, you cannot use an HSA to pay the premium for a Medigap or Medicare Supplement policy.
- You have until April 15 (i.e., the tax filing deadline) to withdraw excess contributions to an HSA without incurring a penalty.

When Should I Enroll in Medicare After Retiring If I Stay on My Employer's Health Insurance Through COBRA?

COBRA is the acronym for the Consolidated Omnibus

Budget Reconciliation Act, a federal law that allows you to stay on an employer's health plan for a limited time after you retire. If you elect COBRA, you will pay up to 102 percent of the insurance premium. You must understand the rules below to coordinate COBRA with Medicare enrollment.

- You can maintain health insurance coverage through COBRA for 18 months after retiring. A spouse who is ineligible for Medicare, as well as dependent children, can stay on COBRA for up to 36 months.
- Medicare has an eight-month special enrollment period (SEP) that starts when employer-provided coverage ends. Although COBRA allows you to maintain the health insurance you had through an employer, that continuation through COBRA is not creditable employer-provided coverage.
- The 8-month SEP does not start after the 18-month COBRA eligibility period ends. The SEP's 8 months run concurrently with COBRA's 18-month eligibility period. You can use COBRA in the months after you stop working, but you should enroll in Medicare within 8 months of your retirement.
- You will avoid Part B and Part D premium penalties if you complete your Medicare enrollment during the eight-month SEP.
- Your employer will need to complete Form CMS-L564E to certify that you had creditable coverage before your Medicare enrollment.

How Will My Annual Income Before Medicare Enrollment Affect My Part B and Part D Premiums?

The answer depends on whether your preretirement modified adjusted gross income (MAGI) is above the thresholds for the income-related monthly adjustment amount (IRMAA). IRMAA is a surcharge assessed on the Part B and Part D premiums of Medicare beneficiaries who have MAGI above certain thresholds. Once you retire, your MAGI may decrease below the MAGI reported on your most recently filed income tax return. Other important IRMAA details are below:

- The Social Security Administration will use the most recently filed income tax return to determine whether you are subject to the IRMAA surcharge. There is usually a two-year gap between the income tax year for the most recently filed return and the year that the IRMAA surcharge will be added to the Medicare premiums. For example, the 2025 IRMAA assessments are based on 2023 income tax returns.
- You can file Form SSA-44 to report a change in your post-retirement income and request the removal of the IRMAA surcharge.
- The IRMAA surcharge may be removed if you experience one of the following life-changing events: marriage, divorce/annulment, death of

a spouse, work stoppage, work reduction, loss of income-producing property, loss of pension income, or employer settlement payment.

- In 2025, the IRMAA assessment begins for single-income tax filers with MAGI above \$106,000 and married joint filers with MAGI above \$212,000. MAGI, for purposes of the IRMAA assessment, is the sum of your adjusted gross income plus tax-exempt interest income.

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UPCOMING EVENTS:

OUR FINANCIAL PLANNING DINNER SEMINARS WILL RETURN IN THE FALL

Have a safe and enjoyable Summer!

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