



OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

OHIO457.ORG ■ 877-644-6457

Healthcare a Costly Expense in Retirement

You're saving for retirement...but are you also saving for healthcare in retirement?

Employer-sponsored healthcare plans keep disappearing due to longevity and rising costs. This, coupled with the fact that a 65-year-old couple can expect to pay \$220,000 on health care in retirement, according to a study from the National Association of Government Defined Contribution Administrators (NAGDCA), means we should start thinking about healthcare costs in retirement now.

What about Medicare?

An Employee Benefits Research Institute study states that Medicare will cover 62 percent on your health care costs in retirement. That means you would be responsible for 38 percent of those costs.

Medicare premiums cost a healthy retiree about \$1,705 a year. When you add this cost to the price of Medicare prescription drug coverage and Medicare's supplemental plan, Medigap, costs soar to \$3,937 per person or \$7,874 per couple. Deductibles and co-pays would be in addition to these.

Don't Forget about Long-Term Care

Seven out of 10 people over age 65 will need long-term care at some point, estimates the U.S. Department of Health and Human Services. Long-term care, which is not covered by Medicare, covers home health care, adult day care, assisted living, and nursing homes. Annual costs run from \$81,900 to \$226,300, depending on the type of service.

How Your Ohio Deferred Compensation Account Can Help

You can think of your Ohio Deferred Compensation account as a place to save for healthcare costs in retirement. Take advantage of the tax-deferred savings and compound interest to grow your account. Make sure to have an account checkup each year by calling an Account Executive at 877-644-6457.

Ohio Deferred Compensation is a supplemental retirement plan offering all Ohio public employees the opportunity to accumulate tax-deferred assets to meet their long-term financial goals. For more information, visit Ohio457.org.