

Leading
Your
Financial
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NEW YEAR, SAME CHALLENGE

The Search For Income Continues

One of my favorite stories I was told when I first entered this industry almost 15 years ago centers around a landowner hiring a farm hand.

In their first meeting, the applicant explained his qualifications by saying **"I can sleep through a storm."**

A week later, a violent storm tore through the area and the farmer tried vainly to wake up the farm hand. The next day, the farmer found that the shutters had been fastened, tools had been securely stored, the wheat had been bound and wrapped, the barn had been locked and the animals were calm with plenty of food. Suddenly, the farmer understood the young man's words: **"I can sleep through a storm."**

He had prepared ahead of time and could sleep peacefully during the turmoil. Sleeping well is the

By Thomas Shultz

second goal of investing and becomes easier with the right preparations. ***(The first goal is not to lose money and the third goal is to make money.)***

By taking the right precautions now, you can sleep soundly when the stock market drops precipitously and stays there for a while, something that's bound to happen very soon.

The proverbial Wile E. Coyote moment lays ahead, referring to the speedy roadrunner who looks down to see that he has run off a cliff, realizes he no longer has ground beneath him and plummets.

One of the most pressing challenges heading into 2022 is one that has confounded retirees or soon to be retirees for more than a decade: The search for income.

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January

WELCOME 2022!!!
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With rates tethered well below historical norms, many retirees have ventured into alternatives in search of yield or tilted their portfolios even riskier heavily weighting them toward equities. A new approach is required, and annuities have removed the barriers associated with predictable income and are the optimal solution for today's retirement income challenges.



The 10,000-Foot View Associated With The Challenge Low Interest Rates Present

We've been stuck in a low-rate era – not low-rate environment at this point, but era – for 13 years. I don't think many retirees appreciate how far we are from a normal rate environment. Even if we continue to see inflation, and the Fed responds by raising rates, we've got a long way to go before the yield on a 10-year Treasury reaches its historical average, which is around 5.1%.

As we've been stuck in this era of low interest rates, we're seeing two dynamics. First, many retirees are getting heavily over weighted toward equities.

Traditionally a retiree may have a 60/40 or even 50/50 stock and bond portfolio. Now we're seeing that allocation creep up to 70/30 or 80/20.

In other instances, advisors are allocating **"safe"** assets to riskier credit strategies in search of

yield. Both mean taking on a lot more risk in the portfolio.

Many retirees' financial plans have been far too optimistic because of the assumptions they are making about fixed income returns. **For example, if you build a financial plan that has a 90% probability of success using various assumptions that include a 5% interest rate, and then change no other variable except to bring the interest rate assumption in line with today's 1.5% yield for 10-year Treasuries, the probability of success falls from 90% to 37%. That's a striking difference.**

We believe retirees often constrain themselves to the investment world when it comes to income planning. If a retiree opens themselves up to other products – which we believe you have to given today's fixed income reality – an annuity is purposefully built to generate income and does it very well. **Fixed Indexed Annuities produce income 40% more efficiently than a bond portfolio today.**



Think of it as buying income for yourself. If you were to buy \$50,000 worth of annual income, and expect that income to last 30 years, at today's interest rates, you'd need a \$1 million (or more) in a correlated bond ladder. You could fund that same income level with an annuity for about \$600,000. That's a massive difference.

So Why Doesn't Everyone Buy An Annuity?

Most fee-based advisors can't make money on products that don't turn over, and annuities

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are one and done for life. So, if you don't have a **"TRUE FIDUCIARY"** as a financial advisor, you are only going to get recommendations for products and services that **"fit"** their fee-based planning.

It's become easier to integrate annuities into all the components of a retiree's life. Annuities can be integrated into a portfolio management system and product discovery tools have been developed that allow advisors to easily compare annuities to each other or to a fixed income portfolio.

Technology makes it easier to identify annuities that best meet an income need or other needs in the portfolio, like asset growth or protection. Most importantly, technology has made it much easier for an advisor to show their client what the plan looks like with and without an annuity and let them decide how they want to fund their retirement income.

Once retirees give fixed indexed annuities a look ... they can't unsee it. The annuity advantage is right there. In 2022, we believe retirees should take that look.

Here at Lyfe Advisors, we take a lifetime approach to planning.

If you'd like a second opinion on your current portfolio or are getting ready to retire and would like to see what retirement could look like for you, we would love the chance to show you our skills!

Thomas Shultz

January 2022 ALTERNATIVE BOND RATES

12 Month Coupon

6.00%

Dividend Paid Monthly*

36 Month Coupon

6.25%

Dividend Paid Monthly*

60 Month Coupon

7.50%

Dividend Paid Monthly*

84 Month Coupon

8.50%

Dividend Paid Monthly*

**TO FIND OUT MORE
CONTACT US AT
(480) 626-0296**

CORALYN'S CORNER

Every month, my corner is to keep you updated on changes in our world, AZMedicare101.org, LyfeAdvisors and our family.



MEDICARE

We made it past the Annual Election Period for Medicare and all the horror stories that I heard about how difficult it was were actually true. It's one thing to see people go through something and a completely different experience to go through it yourself.

As an office, we processed over 1,100 applications in a 52 day period of time. From October 15th up until 10pm on December 7th, we all worked 15 hour days, 6 days a week, and barely made it.

What I've learned now is that was the easy part. Just because we do our jobs and process the applications doesn't mean the carriers do theirs and issue the applications.

Since December 15th, we have been calling all the carriers and making sure that your applications have been processed and issued. To date, our biggest challenge is Wellcare and Cat will continue to follow up on every application throughout January to make sure all have been completed.

If you have not received your cards yet for 2022 or have received a letter stating that your application has been cancelled or denied, please call us ASAP.

Because of our process, the carriers must honor all applications received before the end of AEP and we have fax confirmations for every single application we processed, so no need to panic as your policy will be honored and put into force for a 1/1/2022 start date.

FINANCIAL PLANNING

Many of our clients will be having some of their bonds come due in the Q1 of 2022 (GWG). These bonds performed according to plan, paying out monthly dividends and are now going full cycle, which means that you should be expecting a call from our office to either re-invest or re-allocate the funds.

We expect most clients to re-invest, based on current market conditions, and if this is the case for you there will be new paperwork that will need to be filled out (***the same as last time***) and we will be completing most of those via docusign.

We plan on scheduling financial reviews for most clients throughout Q1 and Q2 so once again expect a call from our office to schedule time with you and Thomas.

PERSONAL

The Holidays came and went way too fast, but I was happy to get the chance to spend it with my mom in town this year. Last year she didn't travel due to Covid, but having her here was just what I needed as she made me all my favorite Filipino dishes. Our son Jackson loves the "***Sour Soup***" my mom makes from scratch and it's one of the only ways I can get him to eat enough vegetables.

I'm excited for Jackson to start playing basketball again this January and really happy that Thomas has decided to coach again, as I really enjoy watching the two of them together play the sport that Thomas loves.

Coralyn Shultz

RITA'S REVIEWS

Every month, my husband and I enjoy trying out places to eat. This month we enjoyed a new location in the Tempe Marketplace called "King's Fish House".



My mother and I had the opportunity to go out by ourselves before Christmas to do a little bit of shopping and, of course, have a delicious meal together, just us girls. Now that I have moved to the Southern Scottsdale area, I can venture out more to new restaurant locations. Our first trip was to the Tempe Marketplace and the King's Fish House.



I love fish and my husband doesn't so this was my chance to indulge. This restaurant was founded by cousins, Jeff and Sam King in 1983 in Costa Mesa, California the day before Thanksgiving. This is a family business, King's Seafood Company, and was started by the two men's fathers, Lou and Mickey King in 1945 in Southern California. Currently there are 12 restaurants in California, Arizona, and Nevada with the Tempe location the only one in Arizona.



The interior was very pretty with indoor and outdoor dining. Of course, before Christmas the traffic was horrible, but we didn't have to wait at all to be served. They offer a lunch and dinner menu with a variety of fried or grilled fish dishes, lobster, and an oyster and chilled shellfish raw bar. For

people like my husband there are also selections of steak and chicken.

My mother had a fish sandwich which wasn't on the menu, but they accommodated her by turning their fish and chips dinner into a fish sandwich with French fries and coleslaw. She loved it.



I had the Mahi Mahi with grilled zucchini and rainbow carrots. The Mahi was cooked to perfection and the vegetables were wonderful. We didn't have any appetizers or dessert, but they did bring a basket of bread which was yummy.



I would definitely go back again and try one of the Fish House favorites like the Macadamia Nut Crusted Halibut or the Lemon-Nut Crusted Sea Bass with roasted brussels sprouts and grilled asparagus.

Rita Henderson

Medicare Hack #28

MEDICARE COSTS RISE AGAIN

The Real Reason For The Staggering Increases



Retirees received a big raise in 2022: a 5.9 percent increase in Social Security benefits. The annual cost-of-living adjustment is the largest since 1982, and it reflects the quickened pace of inflation this year.

But for beneficiaries also enrolled in Medicare, the raise will be diminished by an even larger cost increase: The premium for Part B, which covers doctor visits and other outpatient care, will soar 14.55 percent.

Those numbers underscore the bigger challenges facing more than 55.5 million retirees on Medicare: Gaps in coverage and high out-of-pocket costs — including deductibles, co-insurance and co-payments — can make health care costs difficult to handle, especially for people with lower incomes or those who need expensive drugs.

In 2021, the average out-of-pocket spending for people with Medicare was \$6,150, with one-third having spent at least 20 percent of their per-capita income on health care costs. High costs are not just a financial issue: They can lead to problems with access to treatment, poor health and even premature deaths.

It makes sense to pay careful attention to your Medicare coverage selections when you first sign up and during the annual election period each fall - and to plan for rising health care costs.

Why Did Part B Go Up So Much?

Two unique factors contributed to the double-digit Part B increase for 2022.

In part, Medicare officials were aiming to recoup costs that went uncovered in 2021. This year's standard premium rose by just \$3.90, to \$148.50 per month. The increase would have been larger — the premium usually is set to reflect 25 percent of the projected total program cost for the year — but Congress wanted to limit it as a pandemic relief measure. Lawmakers passed legislation that capped the increase at 25 percent of whatever it would have been if Medicare had followed the usual formula.

But Medicare decided to build a “**contingency reserve**” for the possible cost of **Aduhelm**, the controversial drug approved by the FDA for the treatment of Alzheimer's disease. The drug was approved despite objections from the FDA's own scientific advisory panel, and it carried an astonishing price tag: \$56,000 per patient annually.

To start 2022, Biogen slashed the price to \$28,200 as Alzheimer's experts and health advocates call on the FDA to pull the drug from the market.

Aduhelm will be administered by health care providers, and thus will be covered under Medicare Part B, rather than the Part D prescription drug program. A spokesman for the Centers for Medicare and Medicaid Services said Tuesday that the agency expected to release more information by mid-January about a review it is conducting of coverage of **Aduhelm** and other drugs of its type.

Biogen's price reduction will increase pressure on Medicare to scale back the 2022 premium increase.

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Even before Biogen's announcement, it was unclear if Medicare will cover **Aduhelm** or how many people on Medicare would get it, but the government went ahead with the price increase anyway.

The Challenge

Typically, Part B premiums are deducted from Social Security checks, and the dollar amount of the 2022 increase, \$21.60, will reduce the net cost of living adjustment by varying amounts, depending on a person's benefit level.

Lower-income seniors will be squeezed the hardest. For example, a senior with a \$1,000 monthly Social Security benefit will receive a net adjustment of just 3.75 percent, compared with 5 percent for someone with a \$2,500 monthly benefit.

Deductibles and other cost-sharing requirements are rising too. The Part B deductible in 2022 will mirror the premium, jumping 14.77 percent, to \$233. The annual deductible for Part A, which covers hospitalization, will increase 5 percent, to \$1,556.

Many enrollees in traditional Medicare have supplemental insurance coverage, known as Medigap, that takes care of these cost-sharing burdens; some receive supplemental coverage from former

employers as a retirement benefit, and Medicaid plugs gaps for low-income retirees.

The cost of Part D prescription drugs can be sky-high. Monthly premiums for traditional Medicare enrollees have decreased somewhat in recent years, but deductibles and other out-of-pocket expenses have risen faster than inflation; the standard Part D deductible next year will jump 8 percent.

Medicare Part D plans do not cap the total amounts that enrollees must pay out of pocket each year. The Part D deductible can vary by plan, but in 2022 it cannot exceed \$480.

The high cost of drugs can force some seniors to make difficult choices between paying for medications or other household expenses.

A recent study found that when Medicare beneficiaries' out-of-pocket drug costs jump, there is a significant drop in the number of patients who fill prescriptions and an increase in mortality.

The cost of health care in retirement often is expressed as an intimidating, lifetime estimate. Fidelity Investments estimates that a 65-year-old couple retiring in 2022 can expect to spend \$300,000 in retirement, based on average longevity forecasts.

Map to our NEW Scottsdale Office



7300 N Via Paseo Del Sur,
Suite 204
Scottsdale, AZ 85258
(480) 626-0296



We're on the corner of Hayden & McCormick Ranch Parkway right beside Luci's and right above Crumble Cookie

Medicare/Medicaid

L Y W S P V L F E R A C I D E M L W R H H V E N
 Q X I H G A T F G T Y O F D U I X R D Z R T Y U
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Medigap	ADVANTAGE PLAN	DEDUCTIBLE
DUAL ELIGIBLE	HEALTH CARE REFORM	HMO
INSURANCE	MEDICAID	MEDICARE
NETWORK	PPO	PRESCRIPTION
SUPPLEMENTPLAN	WELLNESS	

January Quiz

Question 1:

Which Artist is signing the National Anthem at the 2022 Super Bowl?

- A. Demi Lovato
- B. Lizzo
- C. Kelly Clarkson

Question 2:

How many Harry Potter movies are there?

- A. 4 movies
- B. 8 movies
- C. 9 movies

Question 3: Who became the first male co-host of "The Talk" in 2021?

- A. Tom Cruise
- B. Seth Rogan
- C. Jerry O'Connell

Answers for October

Question 1: What year did Halloween start?

- B. 1921**

Question 2: What is the most popular Halloween costume of all time?

- B. Vampire**

Question 3: What is the most popular Halloween candy of all time?

- C. Reese's Cup**



Here's When The Social Security Cost Of Living Increase Goes Into Effect

Retirees and others who receive Social Security checks will soon see a 5.9% increase in their monthly payments, the biggest annual "raise" since 1982. But experts warn that the boost may not be enough to offset fast-rising inflation.

The cost-of-living adjustment, or COLA, goes into effect with the December benefits, but those will be paid in January. The payment dates are determined by the recipient's birthdate:

- People born on the 1st through the 10th of the month will get their COLA adjusted checks on **January 12th**
- People born from the 11th to the 20th of the month will get their checks on **January 19th**
- People born after the 20th of the month will get their payment on **January 26th**

The Social Security Administration said it mailed notices to all recipients in December to alert them to their COLA increase.

The COLA increase represents the largest in about 40 years, due to this year's rising inflation. Each year, Social Security payments are adjusted to reflect the change in prices of goods like food and gasoline — but this year has proved to be a struggle given that the benefit's 2021 cost-of-living increase was a meager 1.3%. That meant seniors were coping with the highest inflation in four decades throughout 2021 on top of a benefit that had barely budged.

The hope is that the more generous COLA increase that goes into effect next month could help seniors keep ahead of inflation, but experts are skeptical. Retirees, anybody living on a fixed income, need to be aware that the 5.9% may look like a bigger increase than we've ever gotten. But once they go through their household budget, they will realize it still won't be enough.

It's easy to see how the benefit increase may evaporate. The average beneficiary will receive an extra \$93 a month, meaning the typical monthly check will rise to \$1,658 in January from \$1,565 previously. The spouse of a retired worker will see a roughly \$47 bump, lifting average monthly benefits from \$794 to \$841 including the 5.9% COLA adjustment. Disabled workers will get a \$75 increase on average, from \$1,283 a month to \$1,358, according to the agency.

However, the standard cost for Medicare's Part B is jumping 14.5% to \$170.10 per month starting in 2022, an increase of \$21.60.

Social Security was designed to be a supplement to retirement income, and it currently replaces about 40% of the average American's income in retirement. But 4 in 10 older Americans rely on the monthly benefit as their sole source of retirement income, according to a 2021 study.

Perhaps it's not surprising that 25% of Americans see rising inflation as the single biggest threat to their retirement plans, compared with 8% a year earlier.

Medicare Supplement Rates Lowest Medicare Supplement Rates For 85258 Maricopa County

Gender	Age	Plan	Carrier	Premium*
Female	65	G	Amerigroup (Anthem)	\$115.52
Male	65	G	Blue Cross Blue Shield	\$120.25
Female	65	GHD	New Era Life	\$40.37
Male	65	GHD	New Era Life	\$44.41
Female	65	N	Aetna	\$88.96
Male	65	N	Blue Cross Blue Shield	\$94.82
Female	66	F	Medico	\$142.23
Male	66	F	Blue Cross Blue Shield	\$164.62
Female	66	G	AARP United Health Care	\$118.93
Male	66	G	Blue Cross Blue Shield	\$126.36
Female	66	GHD	Medico	\$40.53
Male	66	GHD	New Era Life	\$45.54

Rates are accurate at the time of production. Included in the list are fraternal organizations, service organizations, and carriers with ratings above B+.

*Source: CSG Actuarial effective dates 01/01/2022

Interest Rates Highest CDs and Share Rates Highest National Rates

Duration	Institution	Yield to Maturity*
1 year	Pentagon FCU	0.85%
2 year	Pentagon FCU	1.00%
3 year	Quorum	1.00%
4 year	First Nat Bnk	1.10%
5 year	Pentagon FCU	1.30%

Rates are accurate at the time of production. We include banks and federal credit unions in our national search. All have FDIC or NCUA Insurance. *Source: BankRate.com 01/01/2022

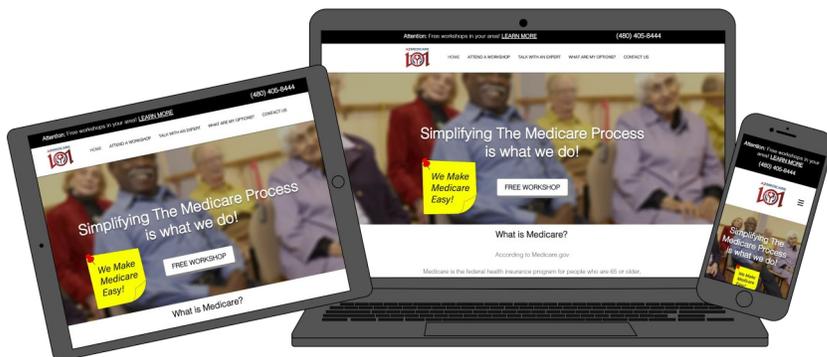
Highest Fixed Annuity Rates Highest Arizona Rates

Duration	Institution	Yield to Maturity*
3 year	Oceanview	2.50%
4 year	Oceanview	2.75%
5 year	Atlantic Coast	3.15%
7 year	Sentinel Life	3.20%
10 year	Atlantic Coast	3.25%

Rates are accurate at the time of production. Excluded from the list are fraternal organizations, service organizations, and carriers with ratings below B *Source: AnnuityRateWatch 01/01/2022

Visit us Online at
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Medicare Workshops

1 Hour Presentation - Everything you need to know about Medicare. We explain how Medicare works and what you can expect before you choose!

THIS PRESENTATION HAS BEEN APPROVED BY MEDICARE

Online Workshop
Monday, January 24th
11:00am to 12:00pm



Online Workshop
Tuesday, January 25th
1:30pm to 2:30pm

Online Workshop
Tuesday, January 25th
5:30pm to 6:30pm

**Maricopa &
Pinal Counties In Blue**

Online Workshop
Wednesday, January 26th
5:30pm to 6:30pm

Pima County In Red

Online Workshop
Thursday, January 27th
11:00am to 12:00pm

Online Workshop
Thursday, January 27th
6:30pm to 7:30pm

“As a fiduciary, it is our responsibility to make sure that both the Health and Wealth areas of your retirement have been planned for accordingly. You can’t have a sound financial plan without addressing both and here at LyfeAdvisors we believe that it starts with Healthcare! For the last 13 years, we have been helping thousands of retirees all throughout Arizona and we’d love to help you as well.” - Thomas Shultz, Managing Partner





AZ MEDICARE 101 IS NOW LICENSED IN ALMOST EVERY STATE IN THE COUNTRY GIVING US THE ABILITY TO HELP FOLKS NAVIGATE THIS MEDICARE MAZE NATIONWIDE!

IF YOU KNOW SOMEONE THAT COULD USE OUR HELP GETTING READY FOR MEDICARE, WE WOULD GREATLY APPRECIATE THE BUSINESS!

We appreciate your referrals!

Your referrals are gifts to whomever you refer. By making a referral, you are giving them a chance to make a difference in their financial future.

Thank you for helping spread the LYFE Advisor's message.