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Key IRA Changes Made by the SECURE Act

Denise Appleby, APA, CISP, CRPS, CRC®, CRSP, Founder and Owner of Appleby Retirement Consulting, Inc.

Editor's note: This article is an adaptation of the live webinar delivered by Denise Appleby in 2020. Her comments have been edited for clarity and length.

You can read the summary article here as part of the 1st Qtr 2020 Retirement InSight and Trends Newsletter, worth 1.0 CE when read in its entirety (after passing the online quiz.)

You may also choose to take the full length course Key IRA Changes Made by the SECURE Act for 1.0 hour continuing education (CE) credit.

By Denise Appleby, APA, CISP, CRPS, CRC®, CRSP, Founder and Owner of Appleby Retirement Consulting, Inc.

Setting Every Community Up for Retirement Enhancement (SECURE) Act

We think it is best to focus just on the SECURE Act's changes to IRAs today versus employer plan changes as these changes are highly complex. It is best to cover the information in bite-size pieces so that it's easier to digest.

The key topics that we'll address are the elimination of the age limits for traditional IRA contributions and new distribution rules for beneficiaries. Who qualifies for an exception to the new 10-year Rule? You hear much talk that the stretch is dead. Not really for some people – yes, they're no longer eligible for what is referred to as the stretch – but there are a key group of beneficiaries who are still eligible.

In addition, how does the new required beginning date affect how you manage IRAs?

Changes Made by the SECURE ACT

The SECURE Act is the most comprehensive piece of legislation that affects IRAs after the Pension Protection Act. Part of the challenge is this was signed into law at pretty much the last minute, so it left professionals scrambling to educate our audiences and IRA custodians scrambling to make changes, so the information provided to clients is accurate.

With any big piece of legislation like this, there are going to be gaps and areas of confusion. We expect the IRS to publish corrections, and they have already started.

Stretch IRAs are gone.

The big conversation is that beneficiaries no longer have the option to take distributions over their life expectancy. The reality is that most beneficiaries never took advantage of the stretch anyway. It really won't affect most of your clients because when they do inherit IRAs, they think, "It's free money. I didn't work for it? Why not take that inherited IRA and just spend it?" Because leaving the assets in an IRA allows it to continue to grow on a tax-deferred basis, but that's really a financial and tax planning issue.

How do you advise the client how to handle their IRAs after the SECURE Act? You're going to find that when you're advising clients about most of the changes, you're going to have to parse your clients into two categories, especially when it comes to beneficiary options. Category A will be IRAs that were inherited before December 31, 2019 and Category B are IRAs that were inherited after because that's going to affect the distribution options that are available to those beneficiaries.

Elimination of the age restriction for IRA Contributions

The first change Congress made is they eliminated the restriction on making contributions to traditional IRAs for individuals who are at least age 70½ by the end of the year. Life expectancy is getting longer. I see many people who are well past age 70, still working, and they're young and sprite. Why should these people be prevented from making contributions if they have the funds to do so?

Before the SECURE Act, if someone was at least age 70½ as of the end of the year, that person was not eligible to make a traditional IRA contribution. But they could make a Roth IRA contribution if their modified adjusted gross income (MAGI) was not too high. This change is effective for contributions made for 2020 and after. So now we're within that period where you can may care about contributions, which is up to April 15 (editor's note: now delayed until July 15, 2020 for COVID) of this year. We have to be careful because even though those contributions are being made in 2020, they are for 2019 when the age limit still applies. So if your client walks into your office today and says they want to make a contribution for 2019 because they have up until April 15 (July 15) to do so, check to see whether or not they were at least age 70½ by December 31, 2019, because they might not be eligible to make that contribution to a traditional IRA for 2019.

Qualified Charitable Distributions (QCD)

The SECURE Act left the age by which someone becomes eligible to make a qualified charitable distribution (QCD) at age 70½. A qualified charitable distribution allows an individual to make a tax-free distribution of up to $100,000 to an eligible charity. To do that, you must be at least 70½ on the date on which the qualified charitable distribution is made from the IRA. The QCD is non-taxable if it meets a certain requirement. However, many people took advantage of this by making a deductible contribution to a traditional IRA and immediately turning around and making a QCD, in effect double-dipping.

The SECURE Act includes a caveat that if you make a QCD for a year, and you also make a deductible traditional IRA contribution, your QCD will is reduced by the amount of the deductible IRA contribution.

For example, 71-year-old Tom made a deductible traditional IRA contribution for 2020 of $6,000, and he made a QCD of $50,000. Before the SECURE Act, Tom would not have been able to contribute to a traditional IRA because he was at least age 70½ by the end of the year. Now he can, but because Tom is claiming a deduction for that contribution, the new rules say that the $6,000 contribution must be deducted from the qualified charitable distribution. Only $44,000 will be treated as a non-tax on his tax return. But while the $6,000 difference is included in income, the contribution amount may now be claimed as an itemized deduction on his tax return.

Required Beginning Date

An increase in the Required Beginning Date (RBD) – the age by which someone must begin taking their required minimum distributions (RMDs) – is another positive change.

To determine the rules that apply to an IRA owner, we need to determine whether this person was at least age 70½ on December 31, 2019. If this person was at least age 70½ on December 31, 2019, then the old rules apply, which means that if they reached age 70½ on December 31, 2019, they must take an RMD for 2019 and they have until April 1, 2020 to take that RMD. They then must continue taking RMDs for every year after that.

If this person reached age 70½ on January 1, 2020 or after, they're under the new rules, and they don't need to start taking RMDs until the year they reach age 72. There's a one-day difference that could determine whether someone is subject to this Rule. For instance, if someone reached age 70 on June 30, 2019, they're under the old rules. But if they reach age 70 on July 1, a one-day difference, then they're under the new rules. So those who reach age 70½ by December 31, 2019, are subject to the pre-SECURE Act rules and those who reach age 70½ in 2019 have a RBD of April 1, 2020 and must take their 2019 RMD by then. Those who reach age 70½ in 2020 have no RMD in 2020 and their required beginning date is April 1 of the year that follows the year in which they reach age 72.

Some rules haven't changed. For instance, you still have the option of deferring an RMD for the first year until April 1 of the following year. Whether someone should do that is a conversation that they should have with their tax advisor because the primary reason why we save in tax-deferred retirement accounts is for the tax benefit.

Required Minimum Distribution (RMD) Notifications

The IRS seems to be on top of things, making sure custodians and IRA practitioners are able to handle the administrative functions that they were not able to implement as a result of the SECURE Act having been implemented so late.

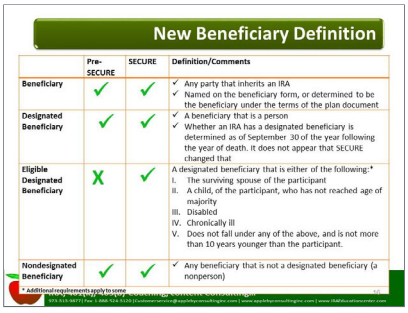
IRA custodians are required to send an RMD notification to IRA owners if an RMD is due for the year and if they held that IRA as of December 31 of the preceding year. Usually, IRA custodians have their system set up to send out those RMD notifications. The problem is if someone reaches age 70½ in 2020, some of those individuals are receiving an RMD notification stating they were supposed to take an RMD for 2020. That's not true after the SECURE Act since they reach age 70½ after 2019, they won't have an RMD for 2020. The IRS published notice 2020.6 to let IRA custodians know they understand that some of those RMD notifications might have been sent out. What should an IRA custodian do? The IRS said IRA custodians are in compliance as long as they send a corrected notice by April 15. If you find yourself in that position, look at IRS notice 2020.6, and it will provide you with the guidance that you need.

A New Category of Beneficiaries

We're familiar with who is a beneficiary, which is any party that inherits the IRA. Usually, that person is named on the beneficiary form, or if not, they're determined under the provisions of the IRA plan agreement. We're also familiar with the term designated beneficiary, which is usually a person, a spouse or non-spouse. We're also familiar with non-designated beneficiary, which is a non-person. Usually, the category that you fall into determines your distribution options.

Now a new category of beneficiary has been added. It's called "eligible designated beneficiaries." If someone falls under the category of an eligible designated beneficiary, then he or she can take distributions over his or her life expectancy.

Here is a high-level description of who is an eligible designated beneficiary.



New Beneficiary Definition

	Pre-SECURE	SECURE	Definition/Comments
Beneficiary	✓	✓	✓ Any party that inherits an IRA ✓ Named on the beneficiary form, or determined to be the beneficiary under the terms of the plan document
Designated Beneficiary	✓	✓	✓ A beneficiary that is a person ✓ Whether an IRA has a designated beneficiary is determined as of September 30 of the year following the year of death. It does not appear that SECURE changed that
Eligible Designated Beneficiary	X	✓	A designated beneficiary that is either of the following:* I. The surviving spouse of the participant II. A child, of the participant, who has not reached age of majority III. Disabled IV. Chronically ill V. Does not fall under any of the above, and is not more than 10 years younger than the participant.
Nondesignated Beneficiary	✓	✓	✓ Any beneficiary that is not a designated beneficiary (a nonperson)

* Additional requirements apply to some

A new definition that has been added to our IRA dictionary, so to speak. An eligible designated beneficiary can be the surviving spouse of the IRA owner, a child of the IRA owner who has not reached the age of majority which is usually defined under state law, a beneficiary who is disabled, a beneficiary who is chronically ill, or a beneficiary who does not fall under any of those four but is not more than ten years younger than the IRA owner.

For these individuals, they still have the option of taking distributions over their life expectancy for 2020 and after.

How Does the 10-year Rule Work?

Most of you are familiar with the five-year Rule. Under the Five-year Rule, distributions are optional for years one through four, and the account has to be fully distributed by the end of the fifth year following the year of death. The 10-year Rule is similar, except we're talking about a 10-year period. For any beneficiary who is subject to the 10-year Rule, distribution is optional in years one through nine, but by the end of the tenth year, the account must be fully distributed.

Let's look at example. John dies in 2020. His designated beneficiary may take distributions from years 2020 thru 2029, but that's optional. But by December 21, 2030 the beneficiary must take a full distribution of the IRA balance.

Let's see how these new rules affect beneficiaries. We'll do a calculation for 2020 using a balance of $100,000 because studies show that that's the average IRA for Americans and using a reasonable rate of return of 5%. Assume we have a traditional IRA for someone who was born January 1, 1942, which means they ha

for 2020, but this person dies in 2020. If an RMD is due for that year, the RMD must be taken by the IRA owner. If it's not taken by the IRA owner, it must be taken by the beneficiary by the end of the year. For 2020 the RMD for this individual is $4,926, but let's see how it affects the beneficiary.

Let's say the beneficiary has chosen not to take distributions for years one through nine and instead waits until the end of year 10 to take a lump-sum distribution, which is $154,000. Now the question becomes whether the beneficiary should choose the lump sum method. Again, this comes down to taxes.

If it's a traditional IRA where the entire balance is pre-taxed, waiting until the end of the tenth year means they're going to include that lump sum amount in income, which could put them in a higher tax bracket and require them to pay all the income taxes at once.

A tax advisor might say, "Why not stretch those distributions over the ten-year period so it's more tax-efficient?" The decision is going to vary from beneficiary to beneficiary and that's a question that should be posed to the tax advisor. Of course, if we're talking about a Roth IRA then ideally, they want to leave the amount in the Roth IRA until the end of the 10-year period. Why? Because that means everything is going to be tax-free, penalty-free and it's not going to affect their income taxes. The answer in many cases is going to lie into what type of account is it. Is it a Roth or is it a traditional?

What if a minor is an eligible designated beneficiary? Who's a minor? That's usually defined under state law, right? But here's something that you must bear in mind. The minute that minor reaches the age of majority then they're no longer eligible to take distributions over their life expectancy and instead must switch to the ten-year period. You can see how this is getting complicated.

Also, if that minor dies, then the minor's successor beneficiary now becomes subject to the 10-year Rule.

Disabled individuals are also eligible to take distributions over their life expectancy. The question is then, "Who is eligible to be classified as a disabled individual?" Remember that if someone takes a distribution from an IRA while they're disabled, they're exempted from the 10% early distribution penalty.

The definition of disability for this purpose is the same definition of disability that applies for the exemption to the 10% early distribution penalty; at least we have that to rely on when you're trying to define who is a disabled individual. For someone who's chronically ill, usually that is a person who can't help themselves with daily activities. They must rely on someone else to do that. You'll see the trend here is that Congress doesn't want to allow beneficiaries, in general, to take distributions over their life expectancy except for spouse beneficiaries.

An Exception to the 10-Year Rule

Here's an exception to the 10-year Rule that I find many people overlook. The 10-year Rule applies to a designated beneficiary. A non-spouse beneficiary doesn't fall under the exception to be an eligible designated beneficiary. I don't know if this was an oversight by Congress. The rules were not changed for a non-designated beneficiary. So if you have an instance where a charity is the beneficiary now, in order to determine the options that are available to the charity, we have to look at whether or not the IRA owner died on or after the required beginning date and you'll notice I didn't mention that for the other beneficiaries. Under the old rules we would have to. When we're trying to determine what the beneficiary options are, one of the questions used to be at what age did the IRA owner die? We no longer ask that question unless we're talking about a non-designated beneficiary.

Now a non-designated beneficiary death occurs before the required beginning date then the five-year Rule applies where distributions are optional until December 31 of the 5th year following the year of death. But if the IRA owner dies on or after the required beginning date then the non-designated beneficiary is permitted to take distributions over the remaining life expectancy of the decedent. In some cases that might be beneficial to the non-designated beneficiary because if death occurs on or after the required beginning date and the IRA owner dies at age 72, then life expectancy could be over 14 years – a longer period than the 10-year period allowing the non-designated beneficiary to stretch distribution. Why is this important?

Because in some cases, non-designated beneficiaries are going to take a full distribution of the assets, especially if that non-designated beneficiary is a charity. But if you remember under the old rules if you have multiple beneficiaries on an IRA, and one of those beneficiaries is a person, and the other is a non-designated beneficiary such as a charity, the general advice was to have the charity take a full distribution of its share by September 30 of the year following the year of death. Why? So that the remaining beneficiary was a person would be able to take distributions over their life expectancy.

Now the rules of the game have changed because if the non-designated beneficiary remains on the account, then both the non-designated beneficiary and the designated beneficiary are eligible to take distributions over the remaining life expectancy of the decedent. This is one of those cases where the tax advisor would say, let's talk about what the distribution options are depending on whether or not the non-designated beneficiary takes the full distribution of its share. There might be some planning opportunities, for instance, for a church to just take 99 percent of the assets and leave one percent as a non-designated beneficiary, allowing the other beneficiary who's a person to take distributions over the remaining life expectancy of the decedent.

There are also new rules for successor beneficiaries. This is a big part of what they were talking about this elimination of the stretch distribution. The whole idea of the stretch distribution was to allow success beneficiaries to take distributions over the original beneficiaries' lifetime. Let's say Tom inherited an IRA, and Tom had a life expectancy of 50 years, but Tom dies five years later. Whoever Tom named as his successor beneficiary would have been able to take distributions over the remaining 45 year period. In other words, that successor beneficiary who's the beneficiary of the original beneficiary would be able to continue taking distributions over Tom's remaining life expectancy.

The SECURE Act took away that provision, and now the rules say when the original beneficiary dies, even if that original beneficiary was taking distributions over that beneficiary's life expectancy, then the successor beneficiary gets switched to the ten-year period. When you have a conversation with a beneficiary about their beneficiary options, you're going to have to ask the question at with age did the IRA owner die and on what date, because now we have to break it down into two categories. Because if the IRA owner died on December 31, 2019, or before then, the old rules, the more favorable rules, apply. But if the IRA owner died after December 31, 2019, the apply. Most people are aware of that. But what I find that most people are missing is that the cutoff date also applies to a successor beneficiary.

If the designated beneficiary dies in 2020 or after, the successor beneficiary must switch to the 10-year period. So no longer is the successor beneficiary allowed to take distributions over the original beneficiary's remaining life expectancy.

The same thing applies though to an eligible designated beneficiary. If we're looking at an eligible designated beneficiary who is disabled, chronically ill, or not more than ten years younger than the IRA owner, we understand now that those beneficiaries are classified as eligible designated beneficiaries and therefore eligible to take distributions over their single life expectancies. But what happens when they die? Their successor beneficiaries get switched to the 10-year period.

The Old Rules Haven't Been Completely Tossed Out

Some of the rules have not changed. How does this affect your clients with inherited accounts?

I thought it would be interesting to include a comparison of someone who died in 2019 versus 2020. You see the significant impact that this has on the amount of assets a beneficiary receives assuming that the beneficiary uses the stretch IRA strategy and takes no more than the beneficiary's required minimum distribution amount each year. We start by calculating RMDs for 2015. Let's use an average year balance of $100,000 and a reasonable return of 5%. It's a traditional IRA. The owner's date of birth is January 1, 1940. The year of death is 2005. There is a designated beneficiary. The beneficiary is not the spouse and the required beginning date is April 1, 2011. Everything is the same up until that time. Now during the non-spouse beneficiary's lifetime, the balance will increase to $105,000 (we're using the same rate of return and the inherited IRA owner's year of birth is 1980).

We are going to assume that in one case the beneficiary dies in 2019 and we're going to assume in another that the beneficiary dies in 2020. Assume that the successor beneficiary is taking a lump sum at the end of the ten-year period. There is a significant difference in the amount that the beneficiary would eventually receive. If the beneficiary died in 2019, the last year of distribution under the life expectancy method is 2063. Whereas if they died in 2020, the last year of distribution is 2030. And if they died in 2019 the total distribution would be $535,000. Whereas under the new Rule, it's only $254,000.

Many beneficiaries do take distributions of those amounts usually within a two-year period but there are those beneficiaries who really plan on having these assets serve them for over their life expectancy to help cover expenses. You can see how this affects beneficiary and what the big hue and cry is about the elimination of the stretch because this is how it affects beneficiaries and successor beneficiaries.

There are some things to bear in mind. Some rules have not changed. As I read the SECURE Act I wondered if they forgot to address these rules. Because if that's not the case then leaving these rules as they are could disqualify the category of beneficiaries that they're trying to protect if any one of those beneficiaries is one of multiple beneficiaries.

September 30 is the determination date, the date that is used to determine whether or not an IRA has a designated beneficiary. Let's say someone died in 2020. Does the IRA have a designated beneficiary? We make that determination on September 30, 2021. How does that affect beneficiaries if there are multiple beneficiaries of the account?

Spousal Beneficiary Options

The spousal beneficiary options have not changed. What does this mean? It means that if you're a spouse beneficiary, you can still take distributions over your life expectancy. You can still move the inherited IRA to your own IRA instead of keeping it in a beneficiary IRA.

One of the factors that must be taken into consideration when making that decision is the age of the spouse beneficiary. Is that spouse beneficiary under age 59½, and if yes, does that spouse beneficiary plan to take distributions from the inherited IRA before reaching age 59½? If the answer is yes to those two questions, then it makes sense for that spouse beneficiary to keep those assets in the beneficiary IRA. Why? Because distributions taken before age 59½ are subject to a 10% additional tax or 10% early distribution penalty unless an exception applies. Well, guess what? One of those exceptions is distributions due to death, and a distribution is qualified as a distribution due to death only if it is made from a beneficiary account or inherited account.

There are benefits to moving it to the spouse's own IRA, including there are no RMDs until the spouse reaches RMD age and even if there are RMDs, they aren't calculated using the uniform lifetime table which produces a lower RMD amount than the single life beneficiary table.

The good news is that a beneficiary can change his or her mind at any time and move the inherited IRA to the spouse's own IRA. A good strategy would be for when that spouse beneficiary reaches age 59½ to transfer those assets to the spouse's own IRA.

Key Takeaways

Here it's all about education. Your legal department is likely working on your IRA agreements now, but clients are coming in to see you. What do you tell them? Beneficiary options are a very important part. We don't want individuals to take less than the amount they're required to because if they do, they're going to be subject to the 50% excess accumulation penalty.

What about making IRA contributions? Is the person who is bringing a check to your office really eligible to make a traditional IRA contribution? Confirm when this person reaches age 70½.

The best estate planning attorneys are right now still involved in discussions trying to determine how do the new changes affect the beneficiary options that are available when a trust is the beneficiary. What should you do? Direct the client to seek legal advice with an estate planning attorney.

Remember that some IRA custodians, unfortunately, couldn't stop the RMD notice from going out for people who are not subject to our RMDs for this year, but they're still getting an RMD notice that they need to take an RMD. What do you do in that case? Tip: Because it's not an RMD, it can be rolled over if the rollover is done within 60 days and if that person has not done an IRA to IRA rollover during the past 12 months.

Bear in mind, though, that I didn't cover everything. I covered the most common areas. Be on the lookout for opportunities and traps so that you can help your clients take advantage of opportunities and avoid traps that could rob them of opportunities and cause them to owe taxes and penalties that they could otherwise have avoided.

Key IRA Changes Made by the SECURE Act – Denise Appleby

About Denise Appleby, APA, CISP, CRPS, CRC®, CRSP, Founder and Owner of Appleby Retirement Consulting, Inc.

Denise has over 15 years of experience in the retirement plans field, and has co-authored several books and written over 400 articles on IRA rules and regulations.

Denise held several senior retirement plans related positions with Pershing LLC, which includes Vice President of Retirement Plans Products and Services, Retirement Plans Manager, Trainer, Training Manager, Compliance Consultant, Technical Help Desk Manager and Writer. Denise has extensive experience with training the staff and financial advisors of many broker-dealers on retirement plans related topics. Denise has also provided training to hundreds of financial advisors, as well as tax and legal professionals on the rules and regulations that govern IRAs, SEP IRAs, SIMPLE IRAs and qualified plans.

Denise's wealth of knowledge in retirement plans led to her making appearances on CNBC's Business News, Fox Business Network and numerous radio shows, as wells as being quoted in the Wall Street Journal, Investor's Business Daily, CBS Marketwatch's Retirement Weekly and other financial publications, where she gave insights on retirement planning. Her expertise and knack of explaining complex retirement plans rules and regulation, so that they are easily understood, created a demand for her to speak at various conferences and seminars around the country.

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Understanding Communication Styles for More Effective Client Relations

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Retirement Insight and Trends
InFRE International Foundation for Retirement Education
Retirement readiness and income management planning insights, concepts and trends for retirement professionals

By Joseph Tabers, CSP, President of Productive Training, Inc.

Understanding communication styles for more effective client relations is simply better understanding and preparing to adapt to the variety of styles we encounter.

Our first objective when communicating is first to know our self before we attempt to understand another so we can establish mutual understanding. Knowing the strengths and limitations of our style, as well as those of the ones we encounter, will help us appreciate the differences in styles and help us better navigate those relationships. This will give you the ability to build more trust in a client relationship sooner and reduce any dynamics that may affect tension during a conversation or a one-on-one meeting.

Joseph Tabers, CSP, President of Productive Training, Inc.
Editor's note: This article is an adaptation of the live webinar delivered by Joseph Tabers in 2020. His comments have been edited for clarity and length.
You can read the summary article here as part of the 1st Qtr 2020 Retirement InSight and Trends Newsletter, worth 1.0 CE when read in its entirety (after passing the online quiz.)
You may also choose to take the full length course Understanding Communication Styles for More Effective Client Relations for 1.0 hour continuing education (CE) credit.

Why it is Important to Understand Communication Styles

I had a chance to work with a national company which invested over a million dollars on a client survey to find out what customers wanted in order to continue or return doing business with them. The top four apply in almost any customer setting from restaurants to the financial field.

The first thing customers wanted in this survey was for the company to be understanding of them as a customer. If you don't ask my needs, learn those needs. Be a professional from your service point of view. The second expectation was for the professional to have some knowledge. If it's a restaurant setting, they want the waiter to know the menu and the items on that menu. Better yet to even have tasted or sampled items. Third, they wanted people to step up to the plate. If you don't have the answer, get back to me, look it up, take my phone number. If the answers aren't at your fingertips, do the research and then circle back. Finally, customers wanted to be shown concern or empathy. Put yourself in my shoes. Understand my reservations, frustrations, challenges.

So therein lies over a million dollars' worth of research that you can put to use. We're going to use this research as it applies to why we even bother adapting our communication style.

What is one current strength you have in dealing with clients right now regarding your temperament, your style? For some people, they might say that they are user-friendly, easy to talk to, easy to work with. Others might say that they're very well prepared and researched, very methodical in their approach. What would yours be? In my case, I believe a strength of mine is that I want my clients to know I care and that I'm comfortable going outside of myself to make them feel comfortable.

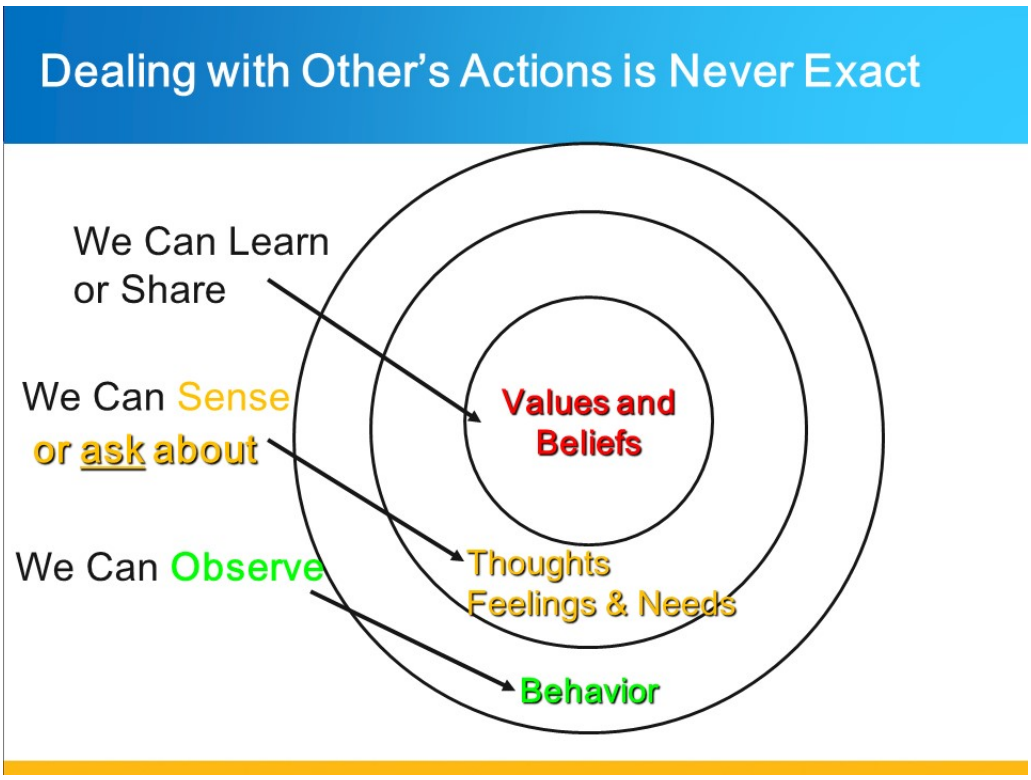
What is one of the challenges you find in working with different personalities or client styles? For some people, it might be the strong silent type, trying to open them up. For others, it might be dealing with someone who is very blunt and direct. The challenge for me in the past has often been the stereotypical engineer who is very analytical and data-driven. As I worked with them more, I came to appreciate that that's just the way they operate. Trying to change that isn't going to work, so working with it, adapting to it, will work to my advantage. We will talk about ways that we can do that as well.

In the 1930s, Carl Young and William Marston wrote a book titled, "Emotions of Normal People." Before that, the typical way of finding behavior was to study people in the insane asylums. Unfortunately, they didn't learn a whole lot about studying deviant or abnormal behavior. Once they started looking at normal behavior, they found that there was a lot more to learn about practical ranges that could be replicated or duplicated. In the 1960s, assessment instruments were created to help us identify our dominant strengths and what characteristics are most like you or least like you.

In the 1970s, the military jumped on board and started using these assessments in both training and preparation of soldiers. It helped to identify who was ready for the more analytical jobs and who was prepared for more tactical and so on. Then business and government got on board. To date, over 40 million people have taken some type of online either personality test or style assessment. There is everything from Myers-Briggs, to the Keirsey temperament sorter, to the DiSC model, which is the one we're going to refer to here. There are probably a hundred different tools. The good news is they all come out of very similar data that that is solid and well researched.

So How Do We Observe Communication Styles?

With these assessments or any type of observational awareness, we see behavior in front of us. If you're on the phone, you'll have to listen for glimpses of behavior from people – the way they talk, the way they ask, the way they listen. Those behaviors are "observational awareness" indicators; they are the best indicators we have in real-time with clients and customers.



Sometimes we don't know what a client or customer is thinking or feeling unless they choose to share it. We can sense someone's feelings. We can ask about their feelings. We can ask what they're thinking. Good consultants and salespeople do that, but people can be guarded in what they share and don't share.

It gets more personal with values and beliefs. Some people will let you know what's most important to them. With others, we have to take the discovery path and peel the onion. People are more comfortable sharing their values when they know our behaviors are consistent. Another aspect is what actions or behaviors have they taken versus not taken so far?

What is the Objective of Communication Style Assessments?

It is important to identify your own communication style and preferences and to better understand how your self-perception affects others. Knowing your strengths and weaknesses will help you be aware of the strengths and weaknesses of other styles. This can help you with one-on-one counseling and the way that you help people, whether it's guiding them to a conclusion or helping them be more comfortable with a decision they need to make. Another benefit of understanding your communication style is to help you be aware of your blind spots or things that might limit your effectiveness and help you make some adjustments in your next conversation on the phone or face-to-face.

Most profiles or assessments have these two axes. Left to right is how direct we are in our communication or how assertive we are with others.

Think about how direct or assertive you are and how open or responsive you are with people, and how they are in turn with you. Most of us can evaluate these communication styles within a minute or two on the phone with someone or face-to-face.

Put a tick mark where you think you are on the Directness axis. If you are very much a person who makes the first move verbally and introduces yourself, people see this as a pretty direct or assertive behavior on the extroverted side. However, being on the introverted side does not mean you are shy or bashful. What it simply means from an assessment point of view is that you're more comfortable with silence; you're comfortable processing information or ideas. I may be thinking it, but I may not say it. Ask yourself, are you more likely to reflect and to think about what someone said before you respond?

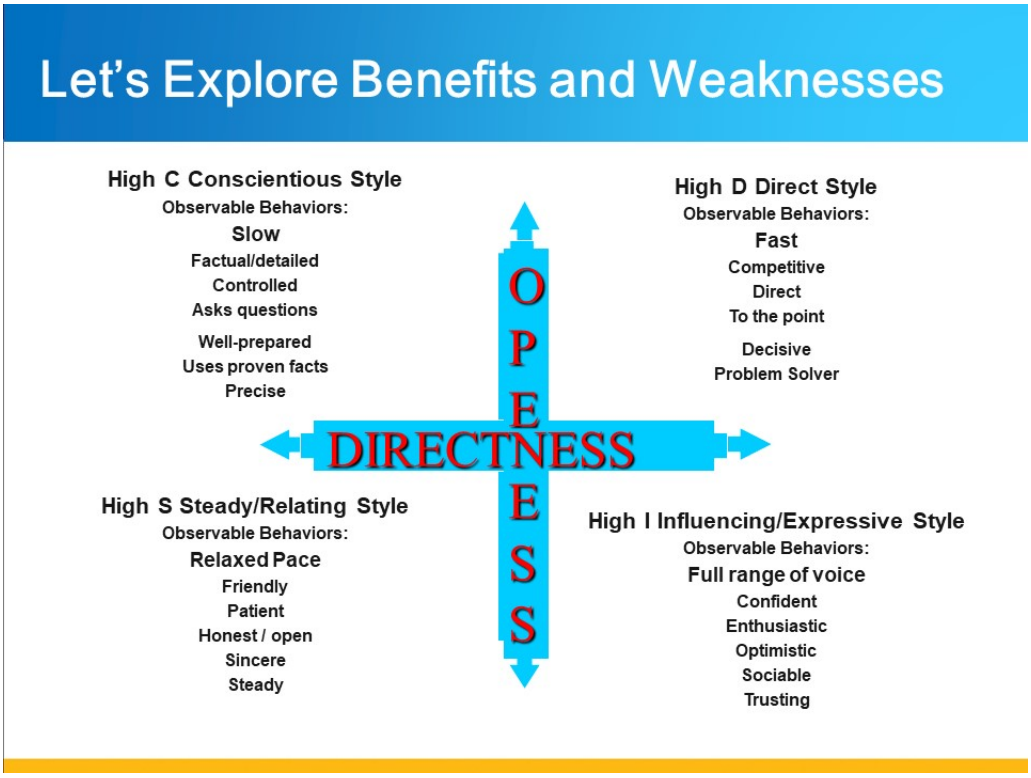
Think of someone you know and ask the same question: how direct or assertive are they regularly? Can you quickly identify if they are to the right or left of the center?

Where are you on the openness or responsiveness axis with your emotions? Do you show your emotions freely? Do people know your mood from 10-20 feet away? If they do, chances are you have more of that lower half, emotive open style. Can people see your emotions; do they respond that way often? The upper half is a better poker player, a little tougher to read. Think of the serious demeanor, hard to tell in their face if they're in a good mood, bad mood, or just neutral because the face doesn't change a lot. If you are speaking with someone on the phone, maybe you hear the same vocal inflection throughout the conversation, and they do not sound more or less committed or excited about anything.

For yourself, again, put a tick mark on where you think you are on the openness axis. Where those two intersect that gives you an idea if you have a communication style in the upper right quadrant, lower right quadrant, lower left quadrant, or upper-left.

The DISC Communication Styles Model

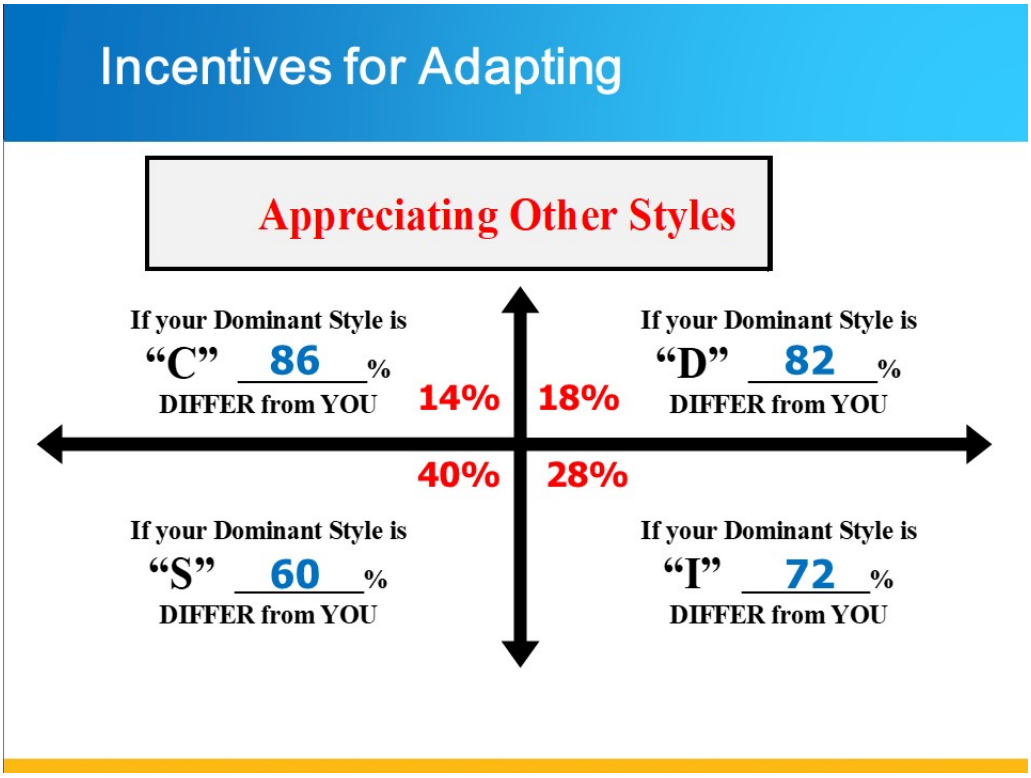
The D in the upper right direct is Directness, the lower right I is Influence, the lower-left S is Steadiness or Steady, and C upper-left is Conscientiousness. These are the four dynamics or traits that come up most often. Styles in the top half are often perceived as task-oriented. The bottom half are perceived often as more relationship-driven.



Once you know your tendencies, people would see more of these behaviors when they interact with you. If you have more of that task-driven behavior on the right chances are they see you as more competitive, more direct to the point, a more decisive problem-solving type. If you have more of the "I" quality, they're going to you as more social, more conversational, or enthusiastic. In the lower left, they're going to see someone who's more relaxed and patient, a little slower paced, and low key. The top left is someone who's more analytical, conscientious, more factual, more deliberate, and a little more calculated in their demeanor. From here, the next extension would be to look for communication styles in clients and find out where their natural "parking place" is because most all of us have a place where we hover most often.

What are Some of the Incentives for Adapting?

The premise here is to know thyself, manage thyself. Know your strengths. Don't overextend them because a good strength overextended in our personality or style could be perceived by a client as a liability or a weakness. We're not saying to be phony. We're simply saying to look at ways to self-manage or adapt when needed.



Think about how your style may differ from others. People ask, "Which is the most popular style when people take these assessments?" Four out of ten people score high in the S-style. This usually is one of the most common styles in North America and Canada. The second highest is the I-style. Both of these are relationship-driven or emotive styles. This means 68% – almost seven out of ten people you deal with – may have more expression of emotions, concerns, frustrations about retirement planning or finances, or the area of your counseling or coaching. Be aware that some venting or emoting is normal, even if that's not as much for you. The third highest is the D-style. Only 18% or two out of ten have the D as their dominant trait, which is an entrepreneurial, executive style trait. The C style in the upper left is only about 14% of the population.

These percentages obviously are going to differ. For example, when I work with some automotive suppliers and have a lot of engineers in the room, it's not uncommon that the typical 14% of C-style is more like 60%. Project managers have to have more of the D-style decision-making traits. School teachers may have more of the I-style or the social or the S-style.

What does this mean for us? It means to be ready to flex a bit. Let's say you have the S-style, the bottom left quadrant. Even if you're with the majority that still means that six out of ten people do not have the S-style as their dominant behavior trait. It could be their number two or number three trait.

How to Adapt Your Communication Style

Say you have the high S quality, and you're trying to deal with a client that has the high D quality in the upper right corner. When we do live workshops, we hear the most significant challenge for a lot of people is the blunt, pushy D-style.

The extreme of the D is direct, decisive, edgy, and sometimes pushy. What do you do to adapt to that? Be more task-like, be more objective, more detailed; get to the point faster. Notice the sense of urgency. You might have a client who wants to do a 5-minute call instead of a 30-minute call. They just want some quick answers, and they want to speak and get off the phone. Could you go into their world a little bit by stepping up your sense of urgency?

Let's say you have the C or the D style. Maybe instead of being so task and factual driven, you become a little more relationship-driven, and you talk a little bit more about their family and their career their goals. Slow it down a bit. The idea is to be aware of emotions and tune into them. Adapting your style can allow you to make a better connection or rapport.

Make an Effort to Adapt

We are professional. We should be the one who makes an effort to adapt. Other people aren't as likely going to make the adaption, but they can if they want to.

A fundamental cornerstone of establishing trust with our clients is when by our example, we demonstrate that we're listening, validating them, and showing that we care.

Identify the dominant traits people display and where they are most comfortable. We all have a parking place on the road map, and it's a core trait, a core tendency. Yes, we do make some adaptions in different situations, but in general, we come back to our parking place where our temperament is most comfortable. Clients do the same. We can help them by going more in their direction.

Why bother with all this? Clients want us to be understanding. They assume we have some knowledge and how we convey that is going to make them comfortable or not. They want us to take responsibility, to step up to the plate. It's almost like reading their minds through questioning, listening, and showing empathy and concern.

When you're working with others, ask yourself if they are more introverted or extroverted? Make that mental note. Decide if you can make that effort to go there or allow it for them to stay there. Know your dominant trait, but work to self-management. The key is not overextending it.

About Joseph Tabers, CSP, President of Productive Training, Inc.

Joe is an expert in improving workplace presentations, interpersonal communication skills and relationships. Over the last 25 years his team has helped more than 450 organizations and thousands of individuals increase their workplace effectiveness by enhancing their communication skills. As a proven professional speaker, author and communication coach, Joe will help you connect better with audiences from high-level professionals to frontline workers.

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Understanding Communication Styles for More Effective Client Relations – Joseph Tabers

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America's REAL Retirement Coverage Crisis – Solution: The HSA in Your Future

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InFRE International Foundation for Retirement Education
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By Jack Towarnicky, JD, CEBS, LLM-Employee Benefits, HR/Rewards/Benefits Compliance and Planning Researcher with the American Retirement Association

Health savings accounts (HSAs) have been around since 2004. However, only 20-25% of employees who have employer sponsored healthcare coverage have access to that choice. Worse, all too often, the HSA capable health option is poorly deployed and not well positioned.

The failure to adopt HSA capable health options is surprising to me. The HSA is America's most valuable benefits tax preference, and an employer can add an HSA capable health option and maybe couple with or introduce an employer-sponsored, fully insured, retiree-pay-all Medicare Advantage coverage. They have been available in the HealthCare.gov exchange for at least the last five to 10 years and can be a new benefit choice that offers access and value to active employees. It gives them a target to shoot for in saving and preparation. It provides a readymade effective transition to retirement, which might curtail recent transfer delayed retirement, and at the same time, it lowers the employer's cost of active worker health coverage. Hey, what's not to like? And yet here we are, 16 years later and the majority of American employers who offer healthcare coverage haven't taken advantage of the opportunity to create a competitive advantage compared to the employers they compete with for talent.

Jack Towarnicky, JD, CEBS, LLM-Employee Benefits, HR/Rewards/Benefits Compliance and Planning Researcher with the American Retirement Association
Editor's note: This article is an adaptation of the live webinar delivered by Jack Towarnicky in 2020. His comments have been edited for clarity and length.
You can read the summary article here as part of the 1st Qtr 2020 Retirement InSight and Trends Newsletter, worth 1.0 CE when read in its entirety (after passing the online quiz.)
You may also choose to take the full length course America's REAL Retirement Coverage Crisis – Solution: The HSA in Your Future for 1.0 hour continuing education (CE) credit.

The Retiree Medical Coverage Crisis vs. the Retirement Savings Coverage Crisis

What percentage of wage earners had access to a more than adequate, tax-favored retirement savings program in each of the past 39 years? 100% of us. We've all had access to the individual retirement account (IRA) since the 1981 Economic Recovery Tax Act signed by President Reagan starting with the 1982 tax year. Retirement savings isn't really a coverage crisis or an access crisis when it comes to retirement income. It is a prioritization crisis.

Some might say that the IRA isn't adequate, but it, in fact, it is for those workers who are not highly compensated employees. The lowly, universally available, ubiquitous IRA as expanded by the Economic Growth and Tax Relief and Reconciliation Act of 2001 – that's 20 years ago in the George W. Bush administration – is a more than adequate, tax-favored retirement savings plan. Simple, consistent saving in an IRA coupled with Social Security would generally have been adequate retirement preparation for many of the 75 million, or so, baby boomers averaging $50,000 in annual income if they only had the commitment, if only they had prioritized retirement savings and retirement preparation.

Retirement Income Prioritization Crisis

IRA As A/The Solution*

Age 25 on 1/1/82 - Contribute Maximum, 5% Earnings/Year*

Contributions - Thru Age 66 (December 31, 2022)	
Regular	$ 141,000
Catch-Up	16,000
Total	$ 157,000
Cumulative Earnings @ 5%	$ 223,333
Account Value @ Age 66	$ 380,332
Converted to Annual Annuity Sinle Life, 20 Year Certain	$ 23,644
Social Security	21,749
Total Retirement Income	$ 45,393
Pre-Retirement Income	$ 50,000
Pay Replacement	**91%**

** Author's calculations*

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Some changes might prompt more savings in IRAs, especially among those who today live paycheck to paycheck. However, not too many folks seem to be interested in that other than mandates, for example, and frankly with COVID-19 and state-mandated Roth IRAs, let's see what kind of leakage occurs there. If you'd like to see my thinking in terms of income and prioritizing saving, again, connect with me on LinkedIn, and we can have a great debate.

Impediments to HSA Adoption

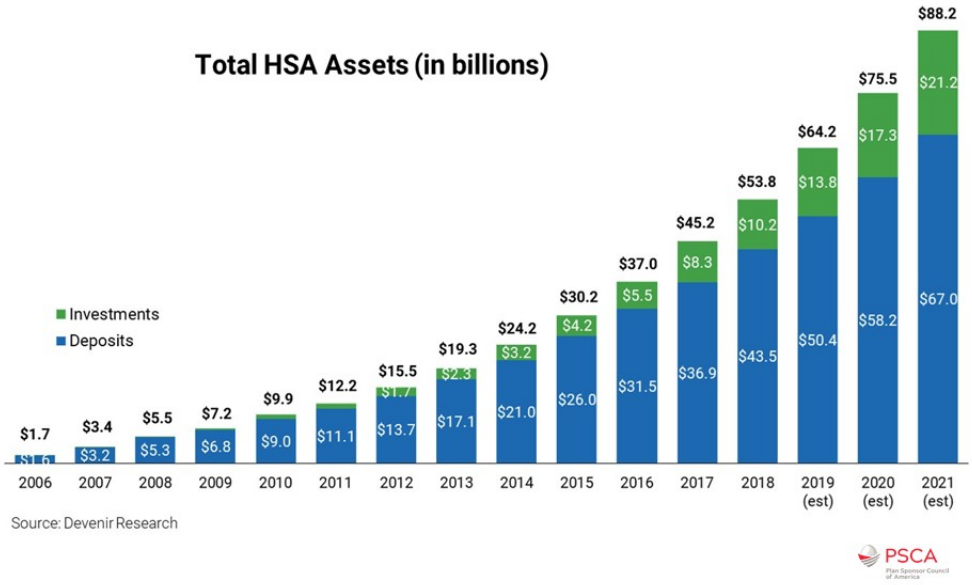
What percentage of retirees had access to tax-favored retiree medical coverage during the past almost 30 years? According to Kaiser's annual survey of employer-sponsored healthcare coverage, 18% of employers today provide retiree medical coverage. This, however, likely includes employers who no longer offer employer financial support for retiree medical to new hires. If we adjusted it only for folks who are offering coverage to new hires like you would offer coverage in the 401(k) to new hires, we might come up with a number between 5 and 10%. If we expanded this to include small employers with 200 and more employees, we'd likely end up with only a 1% to 3% of employers who sponsor or contribute to retiree medical coverage.

The HSA is a great solution for funding retiree medical costs. However, most employers don't offer access. Most employees are not enrolled in an HSA capable health option. More than half of the employers who do offer an HSA capable health option don't themselves contribute. And when employers don't contribute, most workers don't either. The Employee Benefits Research Institute (EBRI) confirms only half of HSAs receive a contribution, and less than 15% of HSA accounts are maxed out, fully funded in a particular year (2016 data) and that only 5% of HSA accounts are invested in anticipation of retiree medical needs. Why is this?

When healthcare was reformed, luckily, they retained HSA capable coverage when they introduced the patient protection and Affordable Care Act of 2010. But it did get a bad rap. Many perceived HSA capable coverage as substandard or inappropriate. Even President Obama said so. Besides lowering deductibles and out of pocket costs, the goal should also include saving and preparing for future expense, especially among the majority who won't have significant out of pocket medical expenses this year.

We've seen some growth in HSA assets. I wanted to compare the growth of HSA assets with 401(k) assets, but the comparison would likely be more misleading than informative because the 401(k) didn't start from scratch. Instead, plan sponsors added pretax contribution functionality to existing thrift and profit-sharing plans starting very late in 1981, early in 1982.

HSA "A Useful Tool"



For the first few years, the 401(k) didn't have the 402(g) limit (Internal Revenue Code Section 402(g) limits the amount of elective deferrals a plan participant may exclude from taxable income each calendar year). Even when it was added to the tax code, it came in at $7,000 for 1987 and has been increasing pretty much ever since. Today, the annual maximums for 401(k) contributions for 2020 are $19,500 and a $6,500 catch up. The catch up can start at age 50 for a total annual contribution of $26,000.

The HSA limits are much more modest. The 2020 annual maximum for single coverage is $3,550, and for non-single coverage (family), it's $7,100 plus $1,000 catch up per individual age 55 or older. But combined, a 55-year-old preparing for retirement who has non-single health coverage with a spouse the same age can contribute $35,100 a year, and if both spouses are employed, we're talking almost $60,000 a year if the two spouses can afford it.

Is the deductible for a high-deductible health plan really that high? Well, back in 1984, I had a $200 deductible in my healthcare coverage. If I were to index that for 35 years of medical premium increases, that $200 increases more than 10-fold to exceed $2,000 today. Instead of indexing the deductible for inflation, many plan sponsors allow their point of purchase cost-sharing – the deductibles, the copayment – to be eroded by inflation. Today's $1,400 funded with tax-preferred HSA contributions is a much lower percentage of median take-home pay if you were to compare it to, say, that 1984 $200 deductible funded with after-tax dollars, money out of your pocket.

It's long past time to pay attention to how the HSA capable option is presented. When we offer workers a choice of coverage, too many employers tend to denigrate the HSA capable health option. Most workers can't accurately compare the coverages where one option uses copays, and the other uses deductibles. The deductible prominence is highlighted by mandates like health reform's side by side summary of benefits and coverage, which seldom includes the contribution difference or total cost-sharing. Typically, the HSA capable option – where it's offered as a choice – is priced less expensive in terms of point of enrollment cost-sharing, the employee's contribution, compared to any PPO or HMO coverage option that's also offered to that same employee.

Too many plan sponsors have a passive annual enrollment process. You get your current coverage unless you make an affirmative election to change the coverage option that's already in place. Studies show that American workers spend less than 30 minutes a year on average (averages can be deceiving) making their choices at annual enrollment, a passive default process that ensures that most are going to ignore any new choices. So, one thing that I always recommend folks consider is changing the default at annual enrollment to the HSA capable option. Even if you enroll them, if it's the default, and they reduce their HSA contribution, or even if they opt-out of making HSA contributions, there's nothing wrong with a default re-enrollment mid-year to make HSA contributions or to increase the HSA contribution mid-year.

As an aside, one of the items we really need to acknowledge is just how important an issue deductible prominence is. The reason why we need to kind of focus on this is because few workers meet their deductible each year. Eighty percent of medical expenses are incurred by less than 20% of the population. Benefits folks sometimes call that the Pareto principle. For example, if you have a $1,400 deductible, perhaps as few as 10% of individuals will satisfy that deductible. And importantly, those who do satisfy the deductible probably don't do that every year. Think of it also in the not single coverage, that's $2,800 deductible at a minimum, and all of a sudden, you're talking about just 5% if it's only one individual in the family who is incurring significant expense.

Why select the PPO with the lower deductible and the higher employee contribution? Why do employees do that when given the choice? Keep in mind that as many as 74% of Americans live paycheck to paycheck where a one-week delay, not missing the next paycheck, but just a one-week delay in their next paycheck, would cause some or substantial financial difficulty (*Getting Paid in America*, an annual survey by the American Payroll Association). It's been consistently in the high 60s, low 70s. The Federal Reserve's Household study shows that 40% of American households don't have cash on hand to meet an unanticipated $400 expense. Because of that financial fragility, many stick with the health insurance option that has the lowest deductible. They over-insure even though it may not be the best choice for them, not this year and certainly not long term.

The other challenge is that when adding an HSA capable healthy option, too many plan sponsors fail to adjust the PPO, point of purchase cost-sharing so that it has the same deductible structure as the HSA capable option. I can confirm that the only way to get all workers to consider a new option is to amend or eliminate the existing choices substantially, make sure side-by-side comparisons are complete and not misleading, and to change the default at annual enrollment. You need an affirmative election process. Even knowing so many live paychecks to paycheck, and also knowing so many are over insured and financially fragile, too many employers don't take steps to get workers over the hump.

Which Comes First, the HSA Chicken, or the 401(K)-Nest Egg?

How do we prioritize saving between the HSA and the 401(k) and doing what I call quadruple duty?

Many workers don't have to choose between the saving in the HSA and the 401(k). They can max out both, and others can at least contribute enough to obtain the full employer financial support in both accounts. Sometimes, all you have to do as a plan sponsor is open the HSA account, and sometimes the employer will do that by making that initial employer contribution.

Many times, if the employer is using what's called the comparability method for nondiscrimination in employer contributions to the HSA, just simply opening that account will ensure that employees get the employer contribution towards the HSA. However, it's clear which one should take priority if we're thinking about retirement preparation, and that would be the HSA. We know that as much as 20-25% of retiree's costs in retirement are healthcare premiums or healthcare out of pocket expenses, or maybe even long-term care premiums and long-term care out of pocket expenses. The big difference is that the HSA contributions are made pretax for federal and state income taxes as well as for FICA and FICA Medicare (med), the Social Security, and the hospital insurance contributions that come out of every paycheck.

For comparison, 401(k) contributions are pre-taxed for federal and state income taxes but post-tax for FICA and FICA med. They were once pre-taxed, but that changed due to the Social Security Amendments Act of 1983. The other big difference, of course, is that HSA assets, when used to cover qualified expenses, are distributed tax-free. However, prioritizing the HSA contributions over the 401(k) may not be the right answer for those who live paycheck to paycheck, those who are not able to fully fund both accounts, or those who don't believe they can afford to contribute enough to receive the full employer financial support in both options.

The right answer will vary from situation to situation. Here, I made some assumptions to give you an idea about why you might want to contribute to one before the other.

HSA Chicken or 401(k) Nest Egg
Which is Better, Which Comes First?

Reducing Take Home Pay $1,000 / year - 35 Years - Age 30 - 64
Assumed 6% / Year Earnings
Payout in 25 "Equal" Installments - Ages 65 - 90
Assumes No Change in Marginal Tax Rates Throughout the Period

	Health Savings Account	401(k) Account
Deposit /Year*	$ 1,603	$ 1,429
Balance At Age 65	$ 183,989	$ 164,017
Annual Payout To Age 90	$ 14,396	$ 12,833
Annual After Tax Value to Age 90	$ 14,396	$ 8,983
Difference in Value		60.3% MORE!

* Assumes a 25% federal, 5% state, 6.2% FICA and 1.45% FICA-Med marginal rate

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** Author's calculations*

I assumed here that the HSA uses the comparability rules for the employer contributions, and that the 401(k) or the 403(b) plan has a match and that it also has a robust plan loan functionality and that both accounts are subject to true-up, that the employer contribution will be the same regardless of when the employee makes contributions throughout the year. In this situation, a worker would want to consider seeding the HSA even with just $1 to start that claims clock. Only expenses incurred after the HSA has been opened, typically in most states, you can't open it except by putting in at least a buck. So, again, you want to start that claims clock for eligible expenses.

Then you want to prioritize contributing to the 401(k) until you've obtained the full match. Then you want to start regular HSA contributions, and maybe gap-fill any hole in your take-home pay with a 401(k) or a 403(b)-plan loan. HSAs don't allow you to take plan loans. Most 401(k) and 403(b) plans do. You want to contribute to the HSA until it's fully funded, that's that $3,550 or $7,100 (for 2020) amount, and then resume 401(k) contributions as finances permit. Remember that there's no coverage crisis for retirement income. The IRA is available to all wage earners.

Perhaps the health savings account's most significant value is the varied opportunities for tax-favored wealth accumulation along the way to retirement and beyond. Most employees don't need to look beyond the value in the current year. The HSA monies are certain, and they're readily accessible, and where they're not used, growth comes from the investment

and is carried over to future years. Monies are generally accessible on-demand at any time. You get to spend the monies that would've gone to the federal government, the state government, Social Security and Medicare on your out of pocket qualifying expenses.

The value for tax-favored funding of retiree medical is obvious. It is especially true for those who succeeded in preparing for retirement and maybe end up being subject to Medicare Part B and Part D income-related monthly adjusted amount. Today, that surcharge applies where 2020 AGI exceeds $87,000 for singles ($174,000 for married filers). As the Medicare trust fund runs dry, (according to the most recent report, it's still going to happen in 2026) and as budget deficits and national debt skyrocket, it's important to remember that Medicare Part B and part D are primarily funded with general tax revenues. The bottom line with those kinds of trends and challenges we should all expect that Congress will raise funding for Medicare Part B and Part D by lowering the income threshold for the income-related monthly adjustment amount.

Some folks are going to be lucky. They're going to be in perfect health for 10, 20, or 30 years in retirement, and if so, they can spend those HSA dollars on nonmedical needs and wants. If they take the money after reaching age 65 for nonmedical needs and wants, in general, it subjects them to regular income taxes the same as if they were 401(k) dollars. Like any other deferral, federal income taxes are going to be based on the rates in effect and your marginal tax rate based on your total income and the state income taxes that apply. Finally, no matter your situation, any residual HSA account assets can be used by your surviving spouse or another tax dependent after you die. Then, any unused residual is then paid to beneficiaries as taxable monies. So, there's no waste. There's no forfeiture. It does quadruple duty.

Key Takeaways

The deductible for an HSA capable healthcare plan is not high. It never was. It's just that we failed as plan sponsors to index our point of purchase cost-sharing for medical inflation. Creating a fair comparison, a fair informed choice during annual enrollment, will almost always require the plan sponsor to make changes in any other available coverage options those that are not HSA capable.

It's springtime in America. So, remember to seed the HSA account. Maybe even seed the account each year, and if you're a plan sponsor, and if you offer an HSA capable coverage option today, you can still seed the account this year. You can contribute today for those who enrolled in an HSA capable health option but failed to open their HSA.

Something else you may want to consider is to introduce employer-sponsored, retiree-pay-all, fully insured Medicare Advantage options. The most important words there are retiree-pay-all and fully insured. If you introduce it along those lines, typically, you can minimize any exposure, any liability reporting, under FASB 106, FASB 158. You want to give employees a target. You get to add some new benefits this way without adding to your expense or adding

new liabilities on your financial statements, and it just might help workers prepare for retirement or maybe even help older workers transition into retirement. We're talking Medicare Advantage options, which means we're not talking about early retiree medical coverage. EBRI's Retirement Confidence survey shows that increasingly folks expect to work longer these days. Giving them this target is going to be beneficial so that they know there is going to be an opportunity perhaps for me to access retiree healthcare coverage when I leave this particular employer.

Remember that the top 50% of wage earners, those who earned an excess of $40,000 (the median in 2016) paid 97% of all of the income taxes. Tax-free HSA distributions can be used to cover part B and part D premiums, long-term care insurance premiums, as well as out of pocket medical and long-term care expenses and doesn't add to your federal and state income tax bill.

There is never any waste when it comes to your health savings account assets. Sooner or later, one way or another, you, your surviving spouse and dependents, or your named beneficiaries receive the value from your account. It's what you get versus what you get to keep after taxes. Right now, when used for qualifying expenses, what you get is what you get to keep.

About Jack Towarnicky, JD, CEBS, LLM-Employee Benefits, HR/Rewards/Benefits Compliance and Planning Researcher with the American Retirement Association

America's REAL Retirement Coverage Crisis – Solution: The HSA in Your Future – Jack Towarnicky

J.M. (Jack) Towarnicky JD, LLM-Employee Benefits, is currently an HR/Rewards/Benefits Compliance and Planning Researcher with the American Retirement Association. His over 40 years' experience includes serving as the Executive Director of the Plan Sponsor Council of America (PSCA), a consulting/compliance attorney, and Associate VP of Benefits Planning for Nationwide, a Fortune 100 company. He has also served on the ERISA Advisory Council for the Department of Labor, Employee Benefits Security Administration (EBSA), the Board of Directors of the American Benefits Council, the Board of Trustees for the Council on Employee Benefits and the Corporate Board of the International Foundation of Employee Benefit Plans (IFEBP). He has spoken at over 30 conferences addressing 401k, HSA and other benefits topics and written articles for numerous professional publications.

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