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Our name says it all.

Understanding Medicare: Parts A, B, C, and D

Medicare contains many rules that beneficiaries and their caregivers are required to learn. Perhaps the best way to grasp the program's details is to review the major components of the Medicare program: Parts A, B, C, and D.

Medicare Part A: Hospital Insurance
This insurance is designed to help cover the following:

- Inpatient care in hospitals, including rehabilitation facilities
- Care provided in a skilled nursing facility or hospice for a limited period

Home health care

For inpatient hospital care, Medicare typically covers a semiprivate room, meals, general nursing, drugs, and other hospital services and supplies. Medicare typically does not cover long-term care or custodial care in a skilled nursing facility, although under limited circumstances, it may cover a maximum of 100 days during a benefit period if a doctor certifies that a patient needs daily skilled care.

Medicare Part B: Medical Insurance
Part B helps to cover physician services, outpatient care, preventive services, durable medical equipment, and certain home health care. Although the scope of Part B is extensive, there are many services -- such as dental care, routine eye exams, hearing aids, and others -- that are not covered as part of this program.

Medicare Part C: Offered by Private Insurers

Also known as Medicare Advantage plans, Part C consists of insurance plans provided by private carriers. For beneficiaries with Part C, Medicare pays a fixed amount every month to a private insurer for their care. Many Medicare Advantage plans include Medicare drug coverage, and all cover emergency and urgent care. In addition, certain plans may cover services that are not covered by Medicare, which may result in lower out-of-pocket fees for beneficiaries.

You can sign up for Medicare Part C when you first become eligible for Medicare. You can also sign up between January 1 and March 31 or between October 15 and December 7 each year. If you sign up at the beginning of the year, you can't join or switch to a plan with prescription drug coverage unless you already had Medicare Part D. If you sign up toward the end of the year, your coverage will begin January 1 of the following year.

Medicare Part D: Prescription Drugs
There are generally two ways to obtain Medicare prescription drug coverage. If you have Original Medicare (Part A plus Part B), you can add drug coverage by obtaining it from an insurer approved by Medicare through Part D. Or if you have a Medicare Advantage plan, find out whether your plan includes prescription coverage as part of its program.

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Even if you don't take many prescriptions, you may want to consider signing up for Part D as soon as you become eligible. If you wait and try to sign up during a subsequent enrollment period, you may be charged a late enrollment penalty and be forced to pay higher premiums.

You can join Medicare Part D when you initially become eligible for Medicare or between October 15 and December 7 of each calendar year.

Out-of-Pocket Expenses

Medical coverage from Medicare is far from a freebie. The following are costs that you may encounter.

- **Part A:** No premium if you or your spouse paid Medicare taxes while you were working. For 2019, there is an inpatient hospital deductible of \$1,364 before coverage begins. You may expect to pay a portion of the cost for a hospital stay of more than 60 days during a benefit period.
- **Part B:** A deductible of \$185 for 2019 plus 20% of Medicare-approved amounts for medical services. The amount of additional monthly premiums depends on whether you are enrolled in Original Medicare or in Part C. With Original Medicare, the standard 2019 premium is \$135.50 per month. Single beneficiaries with incomes above \$85,000 and couples earning more than \$170,000 pay higher premiums.
- **Part C:** Costs and levels of coverage vary according to the plan. Contact plans that interest you to learn the details and to compare the costs and levels of coverage with Medicare Part A and Part B.
- **Part D:** Pricing for prescription drug coverage is complex. For those who add Part D to Original Medicare, there is a monthly premium, an annual deductible, and copayments. There is a "coverage gap" that works as follows: After a beneficiary and the insurer pay \$3,820 for prescription drugs during a benefit period, the beneficiary will pay 47.5% of the plan's covered brand-name prescription drugs until out-of-pocket expenses total \$5,100, at which point catastrophic coverage takes effect. Effective the following calendar year, a new benefit period begins with applicable premiums, copayments, and other costs.

Medicare's rules can be confusing for many people. The Medicare website ([medicare.gov](https://www.medicare.gov)) can be a valuable resource. Every year, Medicare also mails *Medicare & You* to beneficiaries and makes this fact-filled publication available online. You may want to review it to make sure you have an accurate understanding of the Medicare program.

This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor. LPL Financial Representatives offer access to Trust Services through The Private Trust Company N.A., an affiliate of LPL Financial.

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Let Growtrust Partners know how we can be of service to you.

Email or call us with any questions or concerns.

Growtrust Happenings

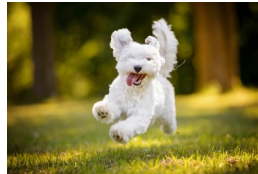
Excellence is defined by the success of our clients and the Growtrust Partners team has recently transformed a bare wall located in the lobby of our office into a new design that will showcase photos of our valued clients. The design was created by our client relationship manager, Teresa Morstad, and brought to life by Drew Veach and his team at Corporate Color Service, Inc.

We can't wait to showcase you and your families, it's going to be an exciting addition to the office décor!

If you would like to contribute a photograph we would really appreciate pictures of you and your family on vacations, with your grandchildren or children, on epic adventures, action shots skiing, golfing...etc., photos in front of new homes/vehicles, or photos of your family pets!

Photos can be mailed to our office address or emailed to

Teresa at: Teresa@growtrust.com



Tax Update from TAG Accounting

- Personal Exemption rate has been reduced to zero through 2025
- Standard Deduction Increase:
 - ◇ Single & Married Filing Separately returns is \$12,200
 - ◇ Head of Household returns is \$18,350
 - ◇ Married Filing Jointly and Qualifying Widow(er) is \$24,400
- The Child Tax Credit (CTC) is \$2,000 for 2019/ maximum age of 16– the modified adjusted gross income threshold where the credit is phased out is \$400,000 for joint filers and \$200,000 for all others
- A \$500 credit is available for "other" dependents who do not qualify for the CTC— this includes parents who are claimed as dependents
- Beginning in 2019, individuals who fail to carry health insurance will no longer be required to pay an individual shared responsibility payment with their tax return
- For taxpayers of all ages, the deduction threshold for medical expenses is 10% of AGI
- The deduction for state and local income taxes, real estate taxes and personal property taxes combined is limited to \$10,000 per return
- Employees no longer are able to offset their taxable income by common business expenses they incur (this change under the Tax Cuts and Job Act -TCJA does not affect self-employed individuals)
- The standard mileage rate is 58 cents per mile for business miles

*This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.

Valuable Verbiage

Working Capital Working capital, also known as net working capital, is the difference between a company's current assets, such as cash, accounts receivable (customers' unpaid bills) and inventories of raw materials and finished goods, and current liabilities, such as accounts payable.

Working capital is a measure of a company's liquidity, operational efficiency and its short-term financial health.

*The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual.



Social Security Tip



Is your Medicare income-related premium wrong?

Medicare Part B provides coverage for physician services, outpatient hospital services, certain home health services, durable medical equipment, and other items. Most beneficiaries will pay a standard premium for Part B coverage. Some beneficiaries may also pay a late enrollment surcharge. A small number of beneficiaries with higher incomes will pay a higher Part B premium based on their income.

Medicare prescription drug coverage helps pay for prescription drugs. Plan costs vary depending on the plan, and on whether you get extra help with your portion of the Medicare prescription drug costs. A small number of beneficiaries with higher incomes will pay a higher prescription drug premium based on their income. If you receive a letter from Social Security indicating you must pay more for your Medicare Part B or Medicare prescription drug coverage premium because of your income, and you disagree with the decision, you may request an appeal. The fastest and easiest way to file an appeal is by visiting www.socialsecurity.gov/disability/appeal. If your income has gone down due to certain specific circumstances, or if you filed an amended tax return, you can ask for a new decision without having to file an appeal. Additional information can be found by visiting www.socialsecurity.gov/pubs/EN-05-10125.pdf



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Our name says it all.

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Good Old Fashioned Pancakes

Ingredients:

- 1 1/2 cups all-purpose flour
- 3 1/2 teaspoons baking powder
- 1 teaspoon salt
- 1 tablespoon white sugar
- 1 1/4 cups milk
- 1 egg
- 3 tablespoons butter, melted



Directions:

- In a large bowl, sift together the flour, baking powder, salt and sugar. Make a well in the center and pour in the milk, egg and melted butter; mix until smooth.
- Heat a lightly oiled griddle or frying pan over medium high heat. Pour or scoop the batter onto the griddle, using approximately 1/4 cup for each pancake. Brown on both sides and serve hot.
- Enjoy!