

Benefits Corner

1st Quarter 2024

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- Medicare Part B Premium to Increase in 2024
- AI's take on claiming Social Security benefits.
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2024 COLA

Social Security and Supplemental Security Income (SSI) benefits for more than 71 million Americans will increase 3.2 percent in 2024.

The 3.2 percent cost-of-living adjustment (COLA) will begin with benefits payable to more than 66 million Social Security beneficiaries in January 2024. Increased payments to approximately 7.5 million SSI recipients will begin on December 29, 2023. (Note: some people receive both Social Security and SSI benefits)

Sources

- [Social Security Changes - COLA Fact Sheet \(ssa.gov\)](https://ssa.gov)

Medicare Part B Premium

Medicare's Part B standard monthly premium will increase to \$174.70 (for most) in 2024, a \$9.80 increase from this year, the Centers for Medicare & Medicaid Services (CMS) announced October 12th Medicare's annual open enrollment period began October 15th and continued through December 7th.

The premium increase comes on the heels of a decrease in 2023 in the Part B monthly charge. Medicare Part B covers doctor visits, diagnostic tests, and other outpatient services. The annual Part B deductible will also rise, to \$240 in 2024 from \$226 this year. CMS attributed the higher premiums and deductibles mainly to increases in health care spending.

Sources

- [Medicare Part B Premium to Increase in 2024 \(aarp.org\)](https://aarp.org)
- [What does Medicare cost? | Medicare](https://www.medicare.gov)

An AI Article on taking Social Security Benefits

We hear so much about the dangers of AI and what it might mean for the future of certain jobs. I thought I'd give AI an opportunity to help me write this quarter's benefit newsletter. I posed the following question to Google's Bard AI, "Write me an article about the pros and cons of taking social security benefits early." This is what Bard AI came back with.

When contemplating retirement, one of the biggest decisions involves claiming Social Security benefits. While claiming early seems alluring for immediate financial relief, the long-term impact can be significant. Here is a deep dive into the pros and cons of claiming Social Security at 62 (the earliest age) versus waiting until full retirement age (FRA, which ranges from 66 to 67 for most) or even beyond.

Taking the Early Bird Discount:

Pros:

- *Immediate Income: Early benefits provide a guaranteed income stream, helpful for those with limited retirement savings or facing financial pressure.*
- *Freedom and Flexibility: Claiming early opens the door to earlier retirement, pursuing passions, or bridging the gap between careers.*
- *Spousal Benefits: Certain spouses may access higher survivor benefits if their partner claims early.*

Cons:

- *Reduced Payouts: Early claimants suffer a permanent 6.7% reduction for each year prior to FRA, amounting to a 25% cut at 62 compared to FRA. This reduction compounds over time, impacting lifetime income significantly.*
- *Earnings Limit: Early claimants face income limits until reaching FRA. Exceeding these limits results in temporary benefit reductions.*
- *Cost-of-Living Adjustments: Early claimants receive smaller yearly cost-of-living adjustments (COLAs), further eroding purchasing power over time.*

Playing the Waiting Game:

Pros:

- *Larger Payouts: Delaying benefits results in an 8% increase for each year past FRA, up to age 70. This can significantly boost lifetime income, especially for those with longer lifespans.*
- *Future Flexibility: Waiting preserves options. Claiming at FRA allows switching to spousal benefits if advantageous, while waiting until 70 offers the highest possible payout.*
- *No Earnings Limit: After reaching FRA, work income no longer affects benefits.*

Cons:

- *Delayed Income: This strategy requires alternative income sources for living expenses until claiming begins.*
- *Market Risk: Delayed claiming exposes retirement savings to longer market fluctuations, potentially eroding their value.*
- *Uncertain Future: Unforeseen health issues or shorter lifespans might negate the benefits of waiting.*

Ultimately, the best decision depends on your individual circumstances. Consider your:

- *Financial health: Retirement savings, alternative income sources, and expenses.*
- *Health and life expectancy: Family history, personal health, and anticipated lifespan.*
- *Retirement goals: Desired lifestyle, travel plans, and potential work continuation.*

Seek professional guidance from a financial advisor or Social Security Administration representative to analyze your specific situation and make an informed decision. Remember, claiming Social Security is a major financial decision – choose wisely!

This article provides a basic overview. Do further research and consult professionals before making any decisions.

Sources

- <https://bard.google.com>

AVIS Rental Car Discount

When it is time to book your 2024 vacation travel and need a rental car, don't forget to check out the AVIS discount on the ChevRec BenefitHub website. The AVIS discount can save you up to 25% off base rates and it is the same corporate discount used by Chevron employees. This is one of the best discounts available. I booked a car last summer using this discount while on a baseball trip with friends. We picked up the car in one location (Toledo) and dropped it off at another location (Cleveland). And anyone who has ever booked that type of reservation knows how expensive that can be. Using the discount, the cost dropped from \$400 to around \$150. No guarantee everyone will see that type of savings, but it's a great deal.

Download the completed Retiree AVIS Card and bring that with you. You can find it on the AVIS page. You may need to present it at the local AVIS counter. Also, when booking your reservation enter chevrec@chevron.com when prompted for company email. Both these items let AVIS know you are a verified Chevron retiree able to take advantage of the discount. You can still use your personal email address as contact information for the reservation.

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