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HOW WILL THE CORONAVIRUS PANDEMIC AFFECT SOCIAL SECURITY?

The coronavirus pandemic is having a profound effect on the current U.S. economy, and it may have a detrimental effect on Social Security's long-term financial situation. High unemployment rates mean Social Security shortfalls could begin earlier than projected.

Social Security retirement benefits are financed primarily through dedicated payroll taxes paid by workers and their employers, with employees and employers splitting the tax equally. This money is put into a trust fund that is used to pay retiree benefits. The most recent report from the trustees of the Social Security trust fund is that the fund's balance will reach zero in 2035. This is because more people are retiring than are working, so the

program is paying out more in benefits than it is taking in. Additionally, seniors are living longer, so they receive benefits for a longer period of time. Once the fund runs out of money, it does not mean that benefits stop altogether. Instead, retirees' benefits would be cut, unless Congress acts in the interim. According to the trustees' projections, the fund's income would be sufficient to pay retirees 77 percent of their total benefit.

With unemployment at record levels due to the pandemic, fewer employers and employees are paying payroll taxes into the trust fund. In addition, more workers may claim benefits early because they lost their jobs. President Trump issued an executive order deferring payroll taxes until the end of the year as a form of economic relief, which could negatively affect Social Security and Medicare funds.

Some experts believe that the pandemic could move up the depletion of the trust fund by two years, to 2033, if the COVID-19 economic collapse causes payroll taxes to drop by 20 percent for two years. Other experts argue that it could have a greater effect and deplete

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the fund by 2029. However, as the Social Security Administration Chief Actuary morbidly noted to Congress, this pandemic different from most recessions: the increased applications for benefits will be partially offset by increased deaths among seniors who were receiving benefits.

It remains to be seen exactly how much the pandemic affects the Social Security trust fund, but the experts agree that as soon as the pandemic ends, Congress should take steps to shore up the fund.

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CAN YOU TRANSFER YOUR MEDICARE AND MEDICAID PLANS WHEN YOU MOVE TO ANOTHER STATE?

If you plan to move states, can you take your Medicare or Medicaid plans with you? The answer depends on whether you have original Medicare, Medicare Advantage, or Medicaid.

Medicare

If you have original Medicare (Plans A and B), you can move anywhere in the country and you should still be covered. Medicare is a federal program, run by the federal government, so it doesn't matter what state you are in as long as your provider accepts Medicare. Your Medigap plan should also continue to cover you in the new

LAW OFFICES OF
BARRY R. CRIMMINS P.C.

Phone: (781) 344-2886 Email: info@brc-law.com

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state, but your premiums may change when you move. The exception is if you move to Massachusetts, Minnesota, or Wisconsin because those states have their own specific Medigap plans.

Both Medicare Part D (prescription drug coverage) and Medicare Advantage plans have defined service areas, which may or may not cover more than one state. If you have Part D or Medicare Advantage, you will need to determine if your new address falls within the plan's service area. When you move to a new service area, you have a special enrollment period in which to change plans outside of the annual open enrollment period (which runs October 15th through December 7th). If you tell your current plan before you move, your special enrollment period begins the month before you move and continues for two full months after you move. If you tell your plan after you move, your chance to switch plans begins the month you tell your plan, plus two more full months.

For more information about moving and Medicare plans, click here.

LAW OFFICES OF BARRY R. CRIMMINS P.C.
Phone: (781) 344-2886 Email: info@brc-law.com

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Medicaid

Medicaid is a joint federal and state program, with each state having its own eligibility rules. This means you cannot keep your Medicaid plan when you move to a new state. Medicaid eligibility depends on your income, your assets, and the level of care you need. If you have Medicaid and are planning to move, you should contact the Medicaid office in the state to which you are moving to find out the eligibility requirements in that state. Before you can apply for benefits in the new state, you need to cancel your benefits in the old state. You should file an application in the new state as soon as possible. Usually, if you qualify for benefits, the benefits will be retroactive up to three months before the date you applied. If you end up having to pay for any health care services out of pocket while you are waiting for your application to be approved, save the receipts since you may be able to get reimbursed.

For more information about Medicaid, click here.

For more information about Medicare, click here.

LAW OFFICES OF
BARRY R. CRIMMINS P.C.

Phone: (781) 344-2886 Email: info@brc-law.com