

Benefits Corner

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By Jim Bonwell, CRA Benefits Chair

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Change to Medicare Part D

The Inflation Reduction Act of 2022 includes several provisions to lower prescription drug costs for people with Medicare and reduce drug spending by the federal government, including a number of changes to the Medicare Part D drug benefit. These changes include a cap on out-of-pocket drug spending for enrollees in Medicare Part D plans and requiring Part D plans and drug manufacturers to pay a greater share of costs for Part D enrollees with high drug costs.

In 2024, costs in the catastrophic phase will change: The 5% coinsurance requirement for Part D enrollees will be eliminated and Part D plans will pay 20% of total drug costs in this phase instead of 15%.

Changes in 2025 include a new \$2,000 out-of-pocket spending cap, elimination of the coverage gap phase, a higher share of drug costs paid by Part D plans in the catastrophic phase, along with a new manufacturer price discount and reduced liability for Medicare in this phase, and changes to plan costs and the manufacturer price discount in the initial coverage phase.

Sources

- [Changes to Medicare Part D in 2024 and 2025 Under the Inflation Reduction Act and How Enrollees Will Benefit | KFF](#)

Wills and Trusts

I am sure you've all heard about or experienced the challenges faced when someone passes away without a will or trust. I know I have. Loved ones must figure out how to distribute the assets without a plan. How should the assets be divided amongst the heirs? What about children from a previous marriage? Do they want money to go to charity and how much? Do they own property in multiple states? Without a Will or Trust, the process goes through Probate. Probate is the legal process of determining what the assets of a deceased person includes, what debts may be owned and who their heirs to the estate will be. Do you want a judge to make those decisions for you, which can take months or even years to resolve? Preparing a will is one the most important things you can do to put your life in order.

Below is an article on Wills and Trusts from the AARP.

You have a will (I hope!), but is that enough? Would you and your heirs be better off if you created a living trust? These trusts often appear on the menu at free senior seminars, tempting everyone to gobble them up. They can indeed be valuable — for specific financial and personal purposes. But sticking with a will may be better, and cheaper, depending on your state laws and the amount of your assets.

Like wills, living trusts (formally known as revocable trusts) list the people who will receive your property after you die, leaving you free to manage it while you're alive. Unlike wills, trusts require that you give up direct ownership of that property. Instead, it's normally transferred, or "retitled," into the trust. I'll say more about this process in a minute. First, I'd like to make some general comparisons between wills and trusts.

Living trusts avoid probate, which is often part of their appeal. Probate is the legal process by which a will is accepted as genuine, creditors get paid and heirs receive assets to which they are entitled. With trusts, these functions are handled privately by a trustee. The question for you is whether probate is worth avoiding. Many states have streamlined, simplified procedures for uncontested wills. They also have low-cost ways to probate modest estates. (The site nolo.com has collected a list of states' rules; if you live in, say, Ohio, type "avoiding probate in Ohio" in the site's search box, then scroll down the results to Articles.) There's no probate at all for retirement accounts with named beneficiaries, joint accounts with survivorship rights, pay-on-death accounts and life insurance. If these types of assets make up the bulk of your estate, a will works fine.

Trusts are useful, however, in certain situations — for example, if probate is expensive (as it is in states where lawyers charge a percentage of the estate's assets, rather than flat or hourly fees); if you own property in more than one state (to avoid double probate); or if you have assets that need ongoing management, such as business interests or trading accounts. In many states, living trusts can't be reached by creditors, says attorney Gerry W. Beyer, a professor of law at Texas Tech University.

With or without a trust, you can name backups to manage your affairs should you become disabled. If you don't have a trust, you can give a power of attorney to a person you pick. With a trust, your chosen trustee will act. The transition might go a little more smoothly with a trust, but not necessarily.

Trusts require extra paperwork. You have to transfer all your property into your name as trustee. That includes the deed to your house, your bank and investment accounts (usually excluding tax-deferred retirement accounts), valuable personal property and any new assets you acquire. You'll want legal guidance, which raises the cost of a living trust compared with a basic will. If the transfers go wrong, your trust becomes a useless piece of paper. "I've seen this happen thousands of times," Beyer says.

Never buy a living trust form off the rack. Ask an experienced lawyer what it can do and whether you need it at all.

Sources

- [Jane Bryant Quinn Explains the Role of Living Trusts in Estate Planning \(aarp.org\)](http://aarp.org)
- [10 Facts You Need to Know For Writing Your Will \(aarp.org\)](http://aarp.org)
- [Save 25% creating a Will or Trust from ChevRec BenefitHub](http://ChevRec.com)
- [Advanced Care Planning \(CRA Website\)](http://CRA.com)

Enrollment and other information on the CRA Dental Plan

Don't have dental coverage? The CRA Dental Program makes available to CRA members the choice between two MetLife Dental Plans. Eligibility to join the Plan requires the retiree to be a current dues paying member of a CRA Chapter. Chapter members who are interested in joining the CRA Dental Plan should send an email to their local chapter contact with their following contact information for further handling:

- Member Retiree's Name
- Full Mailing Address
- Phone number.
- Email address (if available)

Upon receipt, the requesting Chapter member's contact information will be sent to Jim Bonwell, Chair, CRA Benefits Committee who will arrange for a CRA Dental Plan enrollment kit to be mailed to the requesting Chapter member. The enrollment kit will include a unique ID # which should be provided when contacting MetLife, the Plan's administrator, at its Customer Service number 866-832-5756 for assistance. Chapter members who already have other dental plan coverage can join the CRA Dental Plan once their existing coverage ends.

More information is provided on the CRA Dental Program website (www.cradental.com) about eligibility requirements to join the plan, Plan coverage features and how to get cost information on the Plan.

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