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**February 2018
Edition**

Medicare's Part B Premium Will Be Unchanged in 2018, But Many Will Pay More. Got That?

by

Ken Coughlin

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Living Trust Seminar

**For the public and also
for our existing clients
who want to bring
family or friends!**

**Saturday,
February 10**

Torrance Marriott Hotel
9:00 - 11:30 am
3635 Fashion Way

REGISTER

**Thursday,
February 15**

Torrance Marriott Hotel
9:30 - 11:30 am
3635 Fashion Way

REGISTER

**Saturday,
February 24**

Costa Mesa Ayres Hotel
9:00 - 11:30 am
325 Bristol St.

REGISTER

New Tax Law

The announcement of the 2018 Medicare premium is good news for some beneficiaries and bad news for many others. The good news is that the standard monthly Part B premium, which about 30 percent of Medicare beneficiaries pay, will again be \$134 next year, unchanged from 2017.

But most Medicare recipients pay a lower premium because they have been protected from any increase in premiums when Social Security benefits remain stagnant, as has been the case for the last several years. This year, that premium has averaged \$109 a month, but due to the 2 percent Social Security increase for 2018, the premiums of these formerly protected beneficiaries could rise significantly.

An estimated 42 percent of these beneficiaries will pay the full monthly premium of \$134 due to the increase in their Social Security benefit. The rest will pay less than \$134 because the increase in their Social Security benefit will not be large enough to cover the full Part B premium increase. The average premium for these beneficiaries will jump from \$109 to \$130 a month, according to the Centers for Medicare and Medicaid Services (CMS).

So, in other words, Medicare beneficiaries who have been protected from a premium increase in past years will see their premiums go up, while those who have been unprotected in recent years will pay the same. Beneficiaries who have been unprotected from premium rises in the past few years include those enrolled in Medicare but who are not yet receiving Social Security, new Medicare beneficiaries, seniors earning more than \$85,000 a year, and "dual eligibles" who receive both Medicare and Medicaid benefits. Philip Moeller, author of [Get What's Yours for Medicare](#), offers a handy way to figure out what your Part B change will be: "Subtract your current Part B premium from \$134. Then multiply your current monthly Social Security benefit by 2 percent. Your 2018 Part B premium change should be the smaller of these two numbers."

Seminar

For the public and also for our existing clients who want to bring family or friends!

**Wednesday,
February 7**
Pasadena Hilton
10:00 am - 12:00 pm
168 South Los Robles
Avenue

REGISTER 

Medi-Cal Asset Protection Seminar

For the public and also for our existing clients who want to bring family or friends!

**Tuesday,
February 6**
Torrance Main Office
9:30 - 11:00 am
990 W. 190th Street
Suite 500

REGISTER 

Office Locations

For your convenience, we have multiple office locations throughout Southern California.

Main Office:

Torrance Office
990 W. 190th St.
Suite 500
Torrance, CA 90502

Other Local Offices:

Pasadena Office
790 E. Colorado Blvd.
9th Floor
Pasadena, CA 91101

Woodland Hills Office
5850 Canoga Ave.
4th Floor
Woodland Hills, CA 91367

Orange Office
333 City Drive West
17th Floor
Orange, CA 92868

Newport Beach Office
5000 Birch St.
Suite 8000
Newport Beach, CA 92660

Contact Us

You may contact us to make an appointment for your initial consultation, to schedule a review of your current estate plan, or to make a referral.

The Part B deductible will remain at \$183 in 2018, although the Part A deductible will go up by \$24, to \$1,340. For beneficiaries receiving skilled care in a nursing home, Medicare's coinsurance for days 21-100 will inch up from \$164.50 to \$167.50. Medicare coverage ends after day 100.

Here are all the new Medicare payment figures:

- Part B premium for protected beneficiaries: Average of \$130/month
- Part B premium for those not protected: \$134 (unchanged)
- Part B deductible: \$183 (unchanged)
- Part A deductible: \$1,340 (was \$1,316)
- Co-payment for hospital stay days 61-90: \$335/day (was \$329)
- Co-payment for hospital stay days 91 and beyond: \$670/day (was \$658)
- Skilled nursing facility co-payment, days 21-100: \$167.50/day (was \$164)

So-called "Medigap" policies can cover some of these costs. Premiums for higher-income beneficiaries (\$85,000 and above) are as below:

- Individuals with annual incomes between \$85,000 and \$107,000 and married couples with annual incomes between \$170,000 and \$214,000 will pay a monthly premium of \$187.50.
- Individuals with annual incomes between \$107,000 and \$133,500 and married couples with annual incomes between \$214,000 and \$267,000 will pay a monthly premium of \$267.90.
- Individuals with annual incomes between \$133,500 and \$160,000 and married couples with annual incomes between \$267,000 and \$320,000 will pay a monthly premium of \$348.30.
- Individuals with annual incomes above \$160,000 and married couples with annual incomes above \$320,000 will pay a monthly premium of \$428.60.

Rates differ for beneficiaries who are married but file a separate tax return from their spouse. Those with incomes greater than \$85,000 will pay a monthly premium of \$428.60.

The Social Security Administration uses the income reported two years ago to determine a Part B beneficiary's premiums. So the income reported on a beneficiary's 2016 tax return is used to determine whether the beneficiary must pay a higher monthly Part B premium in 2018. Income is calculated by taking a beneficiary's adjusted gross income and adding back in some normally excluded income, such as tax-exempt interest, U.S. savings bond interest used to pay tuition, and certain income from foreign sources. This is called modified adjusted gross income (MAGI). If a beneficiary's MAGI decreased significantly in the past two years, she may request that information from more recent years be used to calculate the premium. You can also request to reverse a surcharge if your income changes.

Those who enroll in Medicare Advantage plans may have different cost-sharing arrangements. CMS estimates that the Medicare Advantage average monthly premium will decrease by \$1.91 (about 6 percent) in 2018, from an



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blog.kaveshlaw.com

average of \$31.91 in 2017 to \$30 in 2018.

Article from ElderLawAnswers.com

SPECIAL SEMINAR - PASADENA AREA:

How Will the New Tax Reform Impact You?

by
Philip J. Kavesh

You've probably heard about the massive new Tax Reform Bill, but how do you make sense out of its 429 pages of legal mumbo jumbo? And can you trust what the media is saying about it?

If you already pay more than \$20,000 a year in both federal and state income taxes, you need to know:

- What are the major changes and what can you do to take advantage of them?
- How may you plan around the new limitations on your itemized deductions - - state income taxes, mortgage interest, property taxes and charitable contributions?
- How can you avoid high State income taxes on your stock dividends, bond interest and capital gains?
- What should you do to reduce taxes on your IRAs?
- If you own a business or rental real estate, should it be in an entity (S Corp, partnership, LLC) or should your existing entity be changed?
- What estate planning should you do to take advantage of the increased estate tax exemption?
- How could the improved school savings plan benefit your children or grandchildren?
- How might the new tax law affect the economy, the stock market and your investment decisions? (Should you make changes to your investment portfolio?)
- And much more!

Attend a **FREE SEMINAR**
Pasadena Hilton
168 South Los Robles Avenue
10 a.m. to 12 p.m.

You'll get the plain English, straight forward truth from two of the nation's leading, authorities - - tax and estate planning attorney, Philip Kavesh, and noted economist and CNBC and Fox Business News guest, Dryden Pence.

You don't want to miss what they'll have to say!

We expect a huge turnout, so you need to call and reserve your seats right away.

Please bring your friends and associates who may also benefit from this important information.

Call NOW 1-877-378-2833 (24 Hours)!

to reserve you seats

Dryden Pence is an LPL Registered Principal with LPL Financial, with securities and advisory services offered through LPL Financial, a Registered Investment Advisor.

Member FINRA/SIPC.

The economic forecast set forth in the presentation may not develop as predicted.

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Recipe of the Month

Old-Fashioned Soft Sugar Cookies

*Prep Time: 10m - Cook Time: 8m to 10m - Ready In: 30m
18 Servings - 238 Calories per serving*



Ingredients

- 1/2 cup butter
- 1 teaspoon salt
- 1 1/2 cups white sugar
- 1/2 teaspoon baking powder
- 2 eggs
- 1/2 teaspoon baking soda
- 1 teaspoon vanilla extract
- 1 cup sour cream
- 3 cups sifted all -purpose flour
- 6 tablespoons cinnamon sugar

Directions

1. Preheat oven to 375 degrees F (190 degrees C).
2. Cream butter to consistency of mayonnaise. Add sugar gradually, while continuing to cream.
3. Add eggs one at a time, beating well after each addition. Add vanilla and beat until light and fluffy.
4. In a separate bowl, mix and sift flour, salt, baking powder and baking soda.
5. Add dry ingredients alternately with sour cream; beginning and ending with dry ingredients.
6. Drop by teaspoons or tablespoons depending on the size cookie you want. Sprinkle cinnamon-sugar mixture over the tops of the cookies. Bake for 8 to 10 minutes.
7. Optional - Add frosting atop of cookies and enjoy!

Recipe from [Allrecipes.com](https://www.allrecipes.com)

Thank You



Here is a very special to all of our clients who have referred family and friends, or forwarded our newsletter to them! If you are part of a group or club and you would be interested in having us speak to the members on important estate planning topics of interest, please contact us at info@kaveshlaw.com.

Quote of the Month

“ **There is no remedy for love but to love more.** ”

Henry David Thoreau

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