Planning for Healthcare Costs in Retirement

Take these steps now to afford the care you’ll need later on.

Healthcare costs are a significant expense for retirees, and they are on the rise. So it’s important to factor them into your long-term savings plan. Follow these five tips to help keep future healthcare expenses from jeopardizing your retirement goals.

1. Estimate how much you will spend

The average 65-year-old couple can expect to incur the following lifetime healthcare costs:

- Supplemental healthcare premiums: $199,960
- Premiums for hospitals, doctors and tests: $125,850
- Hearing and vision costs: $91,630

2. Boost your retirement savings

Even a slight increase in your 401(k) contribution now can substantially impact your retirement savings over time. Consider increasing your contribution rate by one percentage point each year until you reach the maximum, or until it is adequate to meet your retirement savings goal.

3. Start a health savings account (HSA)

If you are enrolled in a high-deductible health plan, you can open an HSA. Contributions to an HSA are tax deductible and allow you to set aside additional funds to offset future medical costs. What’s more, your contribution limit increases starting the year you turn 55 years old.

4. Explore your insurance options

Long-term care insurance can cover future expenses associated with nursing care and even personal care, such as bathing and eating. Premiums vary greatly among providers, but policies are generally more affordable for those in their 50s.

5. Make an appointment

Meet with a SunTrust advisor to make sure your financial plan accounts for healthcare costs during your retirement.

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1 “2015 Retirement Health Care Data Report,” 2015, HealthView Services

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