

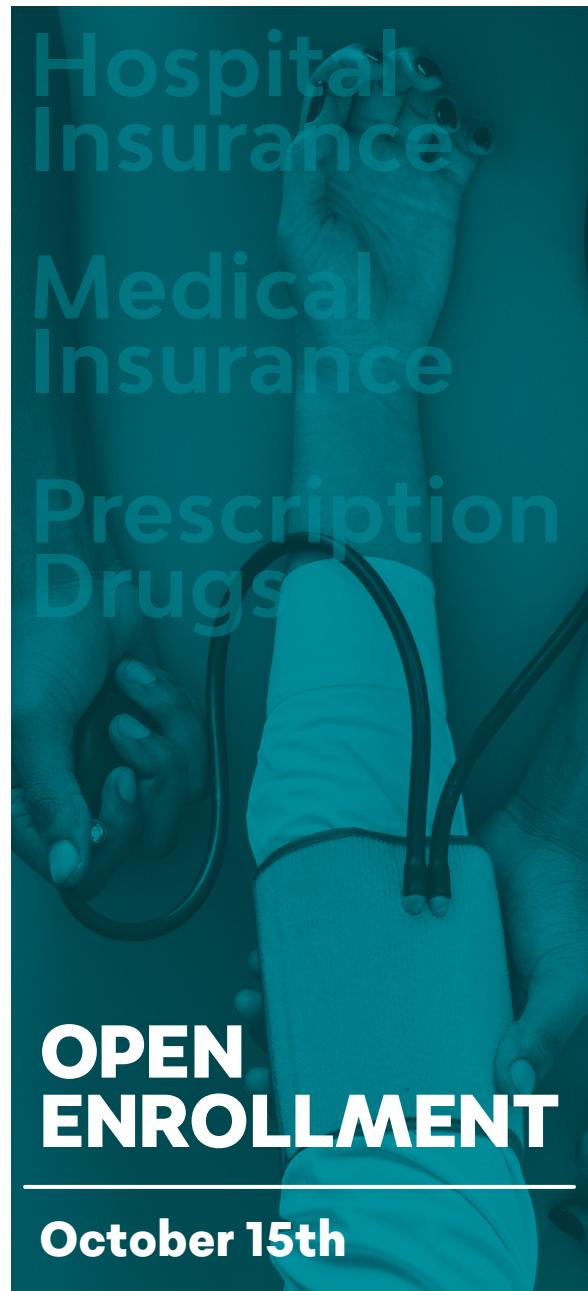


# tempus tidings

4TH QUARTER 2018

*J*t feels as though the seasons of this year have come and gone quickly! As we enter the final quarter of 2018, I look forward to enjoying the sights and smells of Fall, one of my favorite times of year! I would like to take a moment and thank all who attended the August Shred Day and I look forward to continuing this event annually going forward. In this edition of Tempus Tidings, Tempus University features Medicare enrollment essentials as open enrollment is here. I sincerely hope you enjoy the remainder of this year and are looking forward to enjoying all this season has to offer! As always, please call the office at any time with questions or concerns!

*Brittany*



# PRACTICE UPDATES

## Referral Program

We are pleased with the progress thus far of our client referral program and feel confident we are on track for our targeted January 2019 rollout, but we need your help! We are very interested in hearing any and all ideas, comments, or suggestions so that we can be sure our program is aligned to what is most important to you. Please email Amanda or call the office with any ideas you might have. No idea is too big or small!

## Asset Allocation Update

The economic and market signals we closely track continue to indicate an equity overweight. Asset classes that benefit from a healthy economy, strong US dollar, lower corporate tax rates, and protective trade policies have outperformed year to date. We continue to favor US over International equities and believe Small Cap stocks have a more attractive risk profile than Large Cap stocks. September 30th month-end calculations indicate no allocation changes are required at this time.

## MARKET UPDATE

**Summary:** As of 9-28-2018, the S&P 500 Index returned 10.56%, the US Aggregate Bond Index returned -1.6%, and the MSCI EAFE (global index) returned -1.43%. Meanwhile, the VIX (volatility index) ended the quarter at 12.12, a decline of roughly 24.5% over the quarter, returning to all-time low territory. On Sept 26, the Federal Reserve completed the third of four hikes expected for 2018. The Fed's objective is to achieve a neutral rate status, a level neither supporting the economy, nor suppressing growth. However, Chairman Powell's recent remarks that rates are a "long way" from neutral has created uncertainty and resulted in recent equity volatility. As of this writing, the market had responded favorably to the "new-nafta" announcement, which has since been overshadowed by the uncertainty created by Chairman Powell. Increased market volatility may continue in response to both rate uncertainty and US-China tariffs. We continue to see stable and healthy economic data and have no economic data that supports a recession in the next 6 to 12 months.

### Additional Points of Interest:

**Market Volatility:** As consumers have become more comfortable with the "trade war" rhetoric, the combined effects of the tax cuts, and continued strength in economic data, markets continue to move along at lower levels of volatility (with a few sporadic higher volatility days). As expected in these conditions, equity markets continue upward while bonds struggle in a rising rate environment. However, we do expect volatility as the market digests Fed Reserve Chairman Powell's recent remarks.

**US / China Trade "War":** After imposing a 25% levy on Chinese manufactured autos, President Trump levied 10% tariffs on \$200 billion of Chinese goods, not backing down from his willingness to impose aggressive tariffs. High-level talks continue between the two countries, but neither side has shown a willingness to deescalate the conflict. Since the start of 2018, the Shanghai Composite closed the quarter at 2,821.25, down 14.69% for the year, while the S&P 500 Index returned 10.56%. We expect the US stock market to benefit from the tariffs until the added input costs show up in production or inflation data.

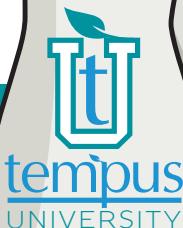
**No Longer NAFTA:** The US and Canada secured a new agreement which is anticipated to be signed by November and passed by Congress thereafter. According to senior US administration officials, the new trade deal is expected to be named the United States-Mexico-Canada Agreement or "USMCA." In addition to modernizing what was covered by NAFTA, the deal limits auto exports to the US, increases market access to US dairy farmers, and is reviewable every six years.

**Mid Term Elections:** Rarely does a presiding President's party maintain control over both the House and Senate after mid-term elections. Consensus projections show this time should not be different. We expect the mid-term elections to cause some volatility in the equity markets, as a politically balanced Congress could halt future pro-growth legislature.

**Yield Curve:** On September 24, the 2 Year US Treasury yield rose to 2.83%, its highest point since 2008. With the 10 Year Treasury over 3.00%, as of September 28, the spread between the two highly tracked interest rates declined to 0.24%. A narrowing spread between the two values can indicate trouble for the banking sector and has historically preceded a recession. Banks often borrow at short maturities and lend at long maturities. A slim spread between these values can hurt profitability.

**Strong Labor Market:** For the week ending September 30, US weekly jobless claims were reported at 207,000, a slight increase from the September 9 release of 204,000, the lowest reported number in almost 50 years. The labor market can be described as at or near full employment. Low jobless claims coupled with all-time high job openings (6.9 million) signal an ever-strengthening economy and could put upward pressure on wages.

**Emergency Market Woes:** The MSCI Emerging Market Index is down over 11% year-to-date. Trade tariffs and Fed-driven increases in the US Dollar have negatively impacted emerging markets. Turkey, Argentina, and South Africa equities have all lost more than 25% of their value in 2018. Opportunities often exist for outperformance within Emerging Markets, but 2018 is a reminder of the potential for negative volatility within the asset class.



**Our learning objectives are to revisit Medicare and enrollment periods, including open enrollment.**

## Medicare Refresher

Medicare is the federal health insurance program for people who are age 65 or older, people under 65 with specific disabilities, and people with end-stage renal disease (permanent kidney failure). Traditional Medicare consists of parts A, B, and D which cover the following specific services:

### Part A is Hospital Insurance

Inpatient hospital stays  
Skilled nursing home care  
(only up to 100 days for a qualifying event)  
Hospice care  
Home health care (to some degree)

### Part B is Medical Insurance

Doctors' services (to some degree)  
Outpatient care  
Medical supplies  
Preventative services

### Part D Prescription Drugs

Adds prescription drug coverage to original Medicare  
Some Medicare cost plans  
Some Medicare private-fee-for-service plans  
Medicare Medical Savings Plans

## Additional Items of Importance

- Medicare Part D plans are offered by insurance companies and other private companies approved by Medicare.
- Medigap policies are typically purchased with Medicare Parts A, B, and D to fill in the gaps of Original Medicare. These policies help cover the costs that Original Medicare do not cover.
- Medicare Advantage Plans, which are also known as Part C, are "all in one" alternatives that bundle Parts A, B, and usually Part D. You either choose a Medicare Advantage Plan or Original Medicare with Part D and possibly a Medigap policy.

Some of the services not covered by Medicare Part A and B plans include the following:

- Long term care
- Most dental care
- Dentures
- Routine foot care
- Acupuncture
- Hearing aids and fitting exams
- Cosmetic surgery
- Eye exams related to prescribing glasses

([www.medicare.gov/coverage](http://www.medicare.gov/coverage) provides a search engine to determine if a specific test, item, or service is covered)

## Medicare Enrollment

Medicare offers several enrollment periods. Our objective is to review each period and their respective application rules in addition to when coverage begins.

### The Initial Enrollment Period (IEP)

This is the first time you may enroll in Medicare Parts A, B, C, and D. The enrollment period begins three months before your 65th birthday, ends three months after your 65th birthday, and coverage begins no sooner than your 65th birthday month. The start date of your Part B coverage depends on the date you enrolled.

## The Open Enrollment Period (OEP)

This is the time when a current Medicare enrollee can reevaluate their Medicare Advantage (Part C) or Part D coverage by comparing other plans available in the marketplace. This period begins on October 15 and ends on December 7 each year. If you find a plan better suited to your needs, you can switch, drop, or add a Medicare Advantage or Part D plan and coverage begins January 1 the following year. Open enrollment is not for those enrolling in Parts A and/or B for the first time, known as the Initial Enrollment Period. Lastly, reviewing your coverage is important to ensure your current coverage is optimal to determine if you can save money while keeping your doctor in-network and finding a higher quality plan in general.

## Additional Items of Importance: What Can You Do During Open Enrollment?

- Anyone who has Medicare Parts A or B can join or drop a Part D prescription drug plan.
- Anyone with Original Medicare (Parts A & B) can switch to a Medicare Advantage plan.
- Anyone with Medicare Advantage can drop it and switch back to just Original Medicare (Parts A & B).
- Anyone with Medicare Advantage can switch to a new Medicare Advantage plan.
- Anyone with a Part D prescription drug plan can switch to a new Part D prescription drug plan.

## The Special Enrollment Period (SEP)

This period refers to a person who is eligible to delay enrollment in Medicare Parts A, B, C, and D, and applies to anyone who delayed enrolling in Parts A and/or B because he/she was working for an employer with 20 or more employees at age 65 and had healthcare coverage through employment, union affiliation, or a spouse's employment. The SEP allows you to enroll in Parts A and/or B at any time when you are covered under the aforementioned circumstances OR during the eight months following the month that coverage ends. While the same circumstances apply to Parts C or D, the time period is 63 days after the loss of coverage, but you must also enroll in Parts A and/or B.

## Closing Important Items

- Be aware that if you did not sign up for Medicare when you were first eligible and did not have other insurance, you may face a penalty for late enrollment.
- A great resource for additional learning is: [www.mymedicarematters.org](http://www.mymedicarematters.org)

*If you would like to have your Medicare coverage reviewed by an insurance professional, please contact the office. We have a great relationship with a local insurance agent that can review your prescriptions, doctors, and needs to examine if your plan is the correct fit for your situation.*



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## TASTES OF TEMPUS

Don't forget! If you have a recipe you would like to share, we would love to feature it here. Please email it to Amanda at [amanda@tempusadvisory.com](mailto:amanda@tempusadvisory.com).

### Baked Apples

Prep Time 10 Minutes | Cook Time 45 Minutes | Ready in 55 Minutes

#### Ingredients

6 medium baking apples\*  
½ cup brown sugar  
1 tsp cinnamon  
1/8 tsp (generous pinch) grated nutmeg  
1/3 cup dried cranberries, craisins, or raisins  
3 tbsp unsalted butter  
¼ cup walnuts finely chopped, optional  
1 cup hot water

\*Apples should be firm, crisp, and tart. Great apple options for this recipe include: Rome Beauty, McIntosh, Jonagold, Fuji, Granny Smith, Golden Delicious and even Braeburn work fine.

#### To Serve (Optional)

Top with unsweetened whipped cream or vanilla ice cream and caramel sauce.

#### Directions

1. Preheat oven to 375°. In a small bowl, combine brown sugar, cinnamon, and nutmeg. Stir with a fork. Stir in dried cranberries and set aside.
2. Wash and core the apples using a melon baller or small paring knife, leaving the base intact to keep the filling in. Don't cut all the way through! Place apples in casserole dish just big enough to hold the apples without touching.
3. Divide the filling evenly between the apples. Top each stuffed apple with ½ tbsp butter and walnuts (if using). Sprinkle with any remaining cinnamon mixture.
4. Pour the hot water into the casserole dish and bake at 375° for 45 minutes to 1 hour or until apples are soft (but not mushy). Baking time can vary by the apple type and size. Larger apples will take an hour of baking time.

## UPCOMING EVENTS

Check out our events for this year. If any are appealing to you, please be sure to let our office know so we can reserve your spot!

Description	Date	Time	Location
Pie Day	Wednesday, November 21	10am-4pm	Tempus Office for Pickup