Figure 1. Average Out-of-Pocket Health Care Spending, for All Medicare Beneficiaries Age 65 and Up

* Projected costs assume an annual 5.1% inflation rate.
Figure 2. Average Annual Supplemental Medigap Plan F Premium for Medicare Beneficiaries Age 65 and Up

* Projected costs assume an annual 5.1% inflation rate.
Figure 3. Medicare Beneficiaries Without Supplemental Coverage, 2002

Percentage by annual household income

- All beneficiaries: 12%
- $\leq 10,000: 13%
- $10,001–$20,000: 17%
- $20,001–$40,000: 12%
- $> 40,000: 6%
Figure 4a. Average Out-of-Pocket Health Care Spending in 2003, for Poor and Middle-Income Individuals
Figure 4b. Average Out-of-Pocket Health Care Spending as a Percentage of Income in 2003, for Poor and Middle-Income Individuals
Figure 5. How Projected Account Holdings at Age 65 Vary for Poor- and Middle-Income Individuals

- <100%
- 100%–149%
- 150%–199%
- 200%–299%
- ≥300%

- 15 years, 0.5% of income
- 15 years, 1.0% of income

Percent of Federal Poverty Level
Figure 6. Pretax Account Contributions With and Without Low-Income Subsidy

Accumulated under 5- and 15-year investment scenarios

* 50% annual subsidization level
** 25% annual subsidization level.
Figure 7. Prefunded Account Holdings vs. Annual Medical Costs in 2021, by Income Level

- Medigap Plan F average annual premium
- Average annual out-of-pocket health care spending
- 15 yr savings at 0.5% income & low income subsidy
- 15 yr savings at 1% income & low income subsidy

Income Levels:
- <100% of poverty
- 100-149% of poverty
- 150-199% of poverty
- 200-299% of poverty
- ≥300% of poverty

Y-axis: $0 to $35,000
X-axis: Income Levels
Figure 8. Account Holdings vs. Costs: The Difference Between Accounts Opened at Age 50 and at Age 60

For individuals with incomes between 150% and 199% of FPL and at 1 percent investment level.

- Account Holdings
- Medigap Plan F average annual premium
- Average annual out-of-pocket health care spending, 175% of poverty

![Bar chart showing the comparison of account holdings, Medigap Plan F average annual premium, and average annual out-of-pocket health care spending between accounts opened at age 50 and age 60.](chart.png)
Figure 9a. Participation in IRA or 401(k)-Type Plans, by Income Quintile

Percentage of individuals ages 55 to 64 in 2004

Figure 9b. Participation in IRA or 401(k)-Type Plans Relative to Poverty Level

Percentage of individuals ages 55 to 69 in 2000

Figure 10a. Average Retirement Account Holdings for Individuals Ages 55 to 69, by Income Quintile, 2004

Percentage of individuals with no holdings

Figure 10b. Estimated Average Retirement Account Holdings for Individuals Ages 55 to 69, by Income Quintile

Figure A-1. Projected Holdings at Age 65 by Percentage of FPL and Under Alternative Assumptions
Figure B-1. Subsidized* Account Holdings and Average Annual Costs for Individuals Under 100% of Federal Poverty Level

Accumulated pretax contribution at 0.5% or 1.0% of income

* Subsidized annually at the 50% level.
Figure B-2. Subsidized* Account Holdings and Average Annual Costs for Individuals at 100%–149% of Federal Poverty Level

Accumulated pretax contribution at 0.5% or 1.0% of income

- Avg. annual Medigap Plan F premium: $3,830
- 15-year investment, 0.5% of income: $3,100
- 15-year investment, 1.0% of income: $6,200

* Subsidized annually at the 25% level.
Figure B-3. Unsubsidized Account Holdings and Average Annual Costs for Individuals at 150%–199% of Federal Poverty Level

Accumulated pretax contribution at 0.5% or 1.0% of income

<table>
<thead>
<tr>
<th>Description</th>
<th>0.5% of Income</th>
<th>1.0% of Income</th>
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<tr>
<td>Avg. annual out-of-pocket health care</td>
<td>7,232</td>
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<td>Avg. annual Medigap Plan F premium</td>
<td>3,830</td>
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<td>15-year investment, 0.5% of income</td>
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<tr>
<td>15-year investment, 1.0% of income</td>
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</tr>
</tbody>
</table>
Figure B-4. Unsubsidized Account Holdings and Average Annual Costs for Individuals at 200%–300% of Federal Poverty Level

Accumulated pretax contribution at 0.5% or 1.0% of income

- Avg. annual out-of-pocket health care: $9,022
- Avg. annual Medigap Plan F premium: $3,830
- 15-year investment, 0.5% of income: $5,834
- 15-year investment, 1.0% of income: $11,668
Figure B-5. Unsubsidized Account Holdings and Average Annual Costs for Individuals Above 300% of Federal Poverty Level

Accumulated pretax contribution at 0.5% or 1.0% of income

<table>
<thead>
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<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Avg. annual out-of-pocket health care</td>
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<td>Avg. annual Medigap Plan F premium</td>
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<td>15-year investment, 1.0% of income</td>
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