



# Alliance Benefit Consultants

## For All Your Insurance Needs

2630 Flossmoor Road #101  
Flossmoor, IL 60422  
(708) 922-9450  
Bob@rs-abc.com

[www.alliancebenefitconsultants.com](http://www.alliancebenefitconsultants.com)



**Bob Scott**  
Broker

## Planning for a Pricey Pet

Pets can be great companions, so it's probably not surprising that 94 million U.S. households own at least one. But pets can also be expensive to care for, and costs are rising. According to one survey, average pet costs increased 9% for a dog and 11% for a cat in 2024 and are projected to rise even more — as much as 7% for a dog and 10% for a cat in 2025. Costs vary based on factors such as size, breed, age, and health, but knowing how much you might spend to care for your pet can help you plan for the impact on your budget.

### Average estimated monthly pet care costs for medium-sized breeds

	 Dog	 Cat
Food/supplements	\$48 to \$174	\$30 to \$115
Routine vet care	\$18 to \$65	\$29 to \$62
Gear/toys	\$9 to \$30	\$5 to \$11
Grooming	\$6 to \$22	\$0 to \$3
Pet sitting/training	\$18 to \$65	\$3 to \$5
Miscellaneous*	\$22 to \$78	\$3 to \$5

\*Includes emergency vet services and unplanned costs

Sources: American Pet Products Association, 2025; Rover.com, 2025



## 11 million

Number of U.S. households that own backyard chickens. Ownership was up 28% in 2024, which may be due to rising egg costs.

Source: American Pet Products Association, 2025



# Could an HSA Strengthen Your Retirement Strategy?

By one estimate, some couples who retire at age 65 in 2025 could spend as much as \$428,000 on health-care expenses in retirement. This figure includes lifetime premiums for Medicare, supplemental insurance, deductibles, coinsurance, and other out-of-pocket costs for medical care and prescription drugs.<sup>1</sup>

The primary purpose of a health savings account (HSA) is for workers to set aside pre-tax income to pay current and future medical expenses not covered by health insurance. This is why HSAs are sometimes called medical IRAs. They incentivize saving with three powerful tax advantages: (1) the dollars you contribute are deducted from your adjusted gross income, (2) investment earnings compound tax-free inside the HSA, and (3) withdrawals are untaxed if the money is spent on qualified health-care expenses. (Depending on the state, HSA contributions and earnings may or may not be subject to state taxes.)

Another benefit is that account funds not needed for health

expenses are available for any other purpose after you reach age 65. When HSA money is spent on anything other than qualified medical expenses, withdrawals are taxed as ordinary income, but they don't incur the 20% penalty that applies to taxpayers under age 65.

## Higher deductibles

To be eligible to establish or contribute to an HSA in 2025, you must be enrolled in a qualifying high-deductible health plan (HDHP) with a deductible of at least \$1,650 for individuals, \$3,300 for families.

Qualifying HDHPs also have out-of-pocket maximums, above which the insurer pays all costs. In 2025, the upper limit is \$8,300 for individual coverage (\$16,600 for family coverage), but plans may have lower caps. This feature could help you budget accordingly for a worst-case scenario.

Premiums are typically lower for HDHPs than they are for traditional health maintenance organization (HMO) and preferred provider organization (PPO) health plans;

members usually pay more up front for services such as physician visits, surgical treatment, and prescriptions, but they typically receive the insurer's negotiated discounts.

## Contribution rules

The maximum HSA contribution limit is \$4,300 if you have individual coverage or \$8,550 if you have family coverage in 2025. An additional \$1,000 can be contributed starting the year you turn 55. Some employers make an annual contribution to employees' HSAs.

## Account management

A well-funded and carefully managed HSA could play an important role in your long-term retirement strategy. Although HSA funds cannot be used to pay regular health plan premiums, they can be used for Medicare premiums and qualified long-term care insurance premiums and services during retirement. Once you sign up for Medicare, however, you can no longer contribute to an HSA.

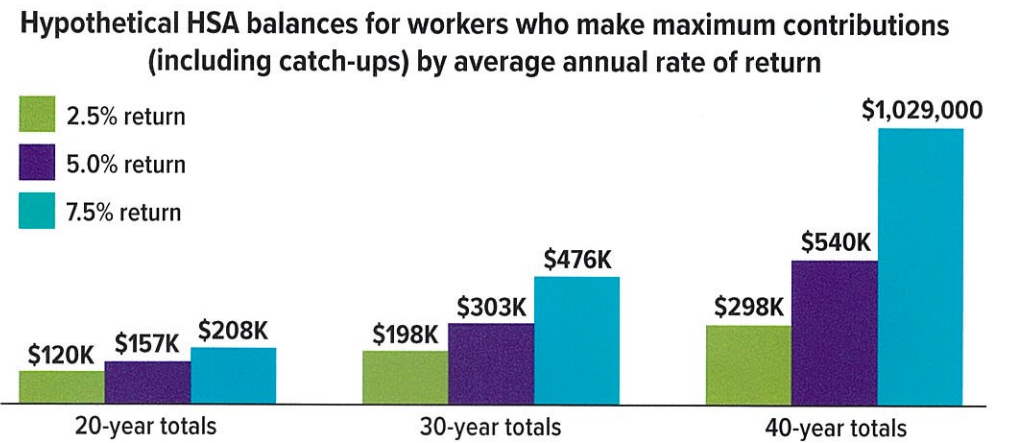
If you can afford to fund your HSA generously while working, some of those dollars could be left untouched to compound on a tax-deferred basis for a number of years. When HSA balances reach a certain threshold, the money can be steered into a paired account with investment options similar to those typically offered in a workplace 401(k).

If you pay current medical expenses out of pocket, the accumulated HSA assets could be preserved for retirement. But save your receipts — you may want to reimburse yourself down the road if you have an unexpected cash crunch.

*All investing involves risk, including the loss of principal, and there is no guarantee that any investment strategy will be successful.*

## Start Young for a Chance to Amass a Million

This chart illustrates how workers might accumulate large sums by making the maximum HSA contributions annually for several decades without taking withdrawals from the account. It assumes that account owners can afford to pay their medical expenses out of pocket over their lifetime.



This hypothetical example is used for illustrative purposes only and does not represent the performance of any specific investment. Actual results will vary.  
Source: EBRI via Employee Benefit News, 2024

1) Employee Benefit Research Institute (EBRI), 2025



# Retroactive Social Security Benefits: A Chance to Turn Back Time



Did you know that if you postpone claiming Social Security past your full retirement age, you have the option of receiving a lump-sum payment for up to six months of benefits when you finally apply?

Receiving retroactive benefits in a lump sum might be helpful if you face a change in health or need cash in an emergency. However, you'll want to think through the consequences, because taking an initial lump sum will reduce your monthly Social Security retirement benefit for the rest of your life.

For example, let's say your full retirement age is 67, and your full retirement benefit would be \$2,400. You decide to wait to apply for Social Security. By waiting past full retirement age, you earn delayed retirement credits that will increase your benefit by 8% per year, up to

age 70. You apply for retirement benefits at age 67 and 6 months. Your benefit is now \$2,496, due to the delayed retirement credits you've earned, 4% higher than at age 67.

If you opt to take benefits retroactively in a lump sum, your official Social Security start date and the amount of your monthly benefit will be rolled back by six months, and you will lose six months of delayed retirement credits. Your lump-sum benefit will be based on your age 67 benefit, so you will receive \$14,400 ( $\$2,400 \times 6$ ) — a sizeable amount. The downside is that your ongoing monthly benefits will be permanently reduced by approximately 4%.

Factors to consider when deciding if you should take retroactive benefits include your life expectancy and

whether you have a greater need for immediate funds or ongoing retirement income. If you're married, your decision might affect future benefits paid to your surviving spouse, because these will be based on what you were receiving. There may also be tax consequences.

There's no single "right" time to claim Social Security retirement benefits. Knowing that you have the option to claim retroactive benefits any time after you reach full retirement age and before age 70 might help lessen the pressure of trying to perfectly time your decision.

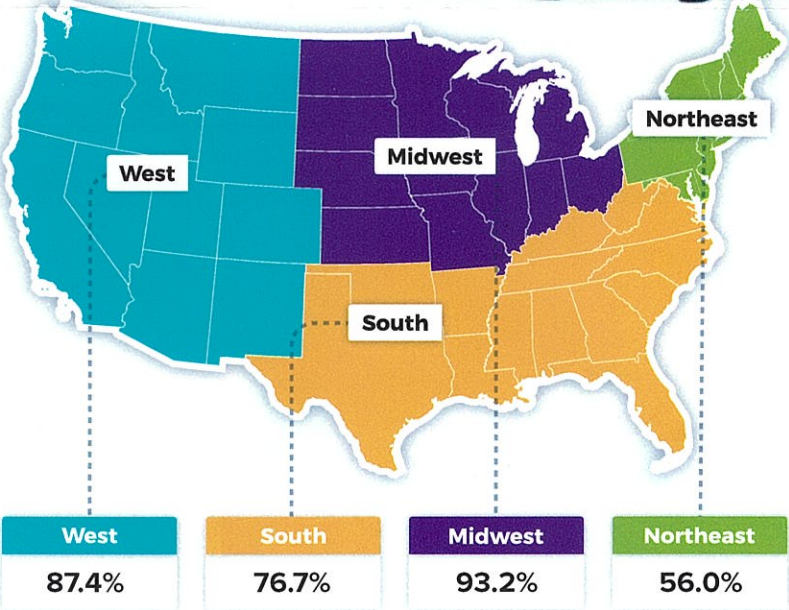
# Location, Location, Location: The Premium Parents Pay for Top Schools

In much of the United States, the public school that a child is allowed to attend is determined by the location of the family's residence. As a result, the inventory of homes for sale near the best schools is often limited and properties tend to sell at a premium.

A home search may be challenging for parents who prioritize access to good schools, as they might have to consider buying a smaller home or sacrificing desirable amenities that would be affordable elsewhere.

According to research conducted in 2024 by Realtor.com, homes in neighborhoods with a highly regarded public elementary school — rated 9 or 10 on the review platform GreatSchools.org — cost an average of 78.6% more than a typical home in a surrounding county. However, this premium varies greatly from place to place.

Home price premium for access to highly rated schools, by region



Source: Realtor.com



# Is Your Dream Kitchen a Good Investment?

According to Harvard's Leading Indicator of Remodeling Activity, annual U.S. spending on home improvements and repairs is projected to reach a record \$526 billion by the first quarter of 2026, after a modest rise of 2.5% (year over year).<sup>1</sup>

The nation's stock of existing homes for sale is older than ever before, so undertaking major remodeling projects can seem reasonable, or even essential, when a buyer purchases a fixer-upper.<sup>2</sup> And for homeowners who have gained significant equity over time, it's usually possible to obtain financing for costly renovations, even if today's high interest rates cut into affordability.

Kitchens and bathrooms are among the most popular and expensive home improvements. You might easily be tempted to spend a small fortune on a high-end design like those often featured on TV shows and circulated on social media.

If you plan to sell in the next few years, it's important to pay close attention to which upgrades could help attract more potential buyers and provide the largest return on investment (ROI). However, if you intend to stay put, you have more freedom to make choices that will enhance your

family's life. Either way, it's important to make responsible borrowing decisions and keep costs under control.

## Payback time

Two important takeaways from the Remodeling 2024 Cost vs. Value Report may help you choose more cost-effective home improvements.<sup>3</sup>



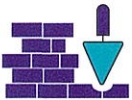


**1. Curb appeal is (almost) everything.** By and large, projects that make the exterior of the home more appealing (such as replacing doors, windows, and siding) tend to provide better returns than interior changes.

**2. Smaller jobs can unlock bigger returns.** When it comes to kitchen and bath remodels, homeowners may see a larger ROI for low-cost cosmetic changes (such as new appliances, cabinet fronts, fixtures, and paint) than they would for major reconstruction and/or upscale finishes.

Of course, a homeowner's actual return on investment depends on the home's overall appeal, buyers' expectations for the neighborhood, and conditions in the local housing market.

1-2) Harvard Joint Center for Housing Studies, 2025  
3) Remodeling 2024 Cost vs. Value Report (© 2024 Zonda Media)

## National average return on investment

Project cost	\$4,513	\$2,355	\$11,287	\$27,492	\$79,982
Cost recouped	193.9%	188.1%	153.2%	96.1%	49.5%
					
Garage door replacement	Entry door replacement (Steel)	Manufactured stone veneer	Minor kitchen remodel (Midrange)	Major kitchen remodel (Midrange)	

Source: Remodeling 2024 Cost vs. Value Report (© 2024 Zonda Media, a Delaware Corporation. Complete data from the Remodeling 2024 Cost vs. Value Report can be downloaded free at [www.costvsvalue.com](http://www.costvsvalue.com))

The information in this newsletter is not intended as tax, legal, investment, or retirement advice or recommendations, and it may not be relied on for the purpose of avoiding any federal tax penalties. You are encouraged to seek guidance from an independent tax or legal professional. The content is derived from sources believed to be accurate. Neither the information presented nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. This material was written and prepared by Broadridge Advisor Solutions. © 2025 Broadridge Financial Solutions, Inc.