



THE MEDICARE BOSS LADY

TURNING 65 AND STILL WORKING

WHAT EMPLOYEES NEED TO
KNOW ABOUT MEDICARE

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THE MEDICARE BOSS LADY

I'm Turning 65 and Still Working

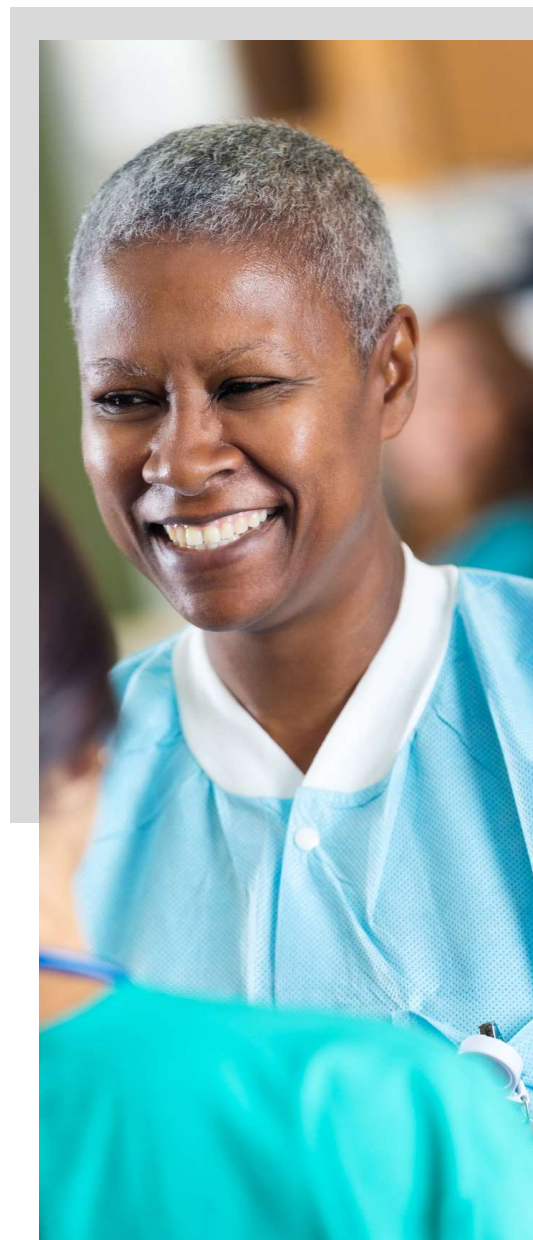
More and more people are working past the age of 65. This is especially true now that people turning 65 this year must wait until they are 66-67 years old to collect full retirement benefits from Social Security. By 2026 it is estimated 30.2 percent of people ages 65 to 74 will be in the workplace, up from just 17.6 percent in 1996.

Whether or not you continue to work, you can still get Medicare when you turn 65, and you still need to make some important decisions about enrollment. You should start to think about these decisions at least 3 months before your 65th birthday.

Do I need to take Medicare now?

If you are still working after you turn 65 (or your spouse is still working) for a company with 20 full-time workers AND you get health insurance from them, you may not need all of Medicare when you turn 65. You can delay Part B or Part D and get them later on when you retire or if you lose your job-related insurance.

It is free for most people. It's free because you've paid in through payroll deductions while you work. If you have insurance through your job, Medicare Part A may not pay much toward your healthcare costs because Part A generally pays after your job's insurance.





Should I delay Part B?

Most people should enroll in Part B when they first become eligible for Medicare both to have coverage and to avoid having to pay a late enrollment penalty. But there is one reason to consider waiting. You may want to wait if:

- You or your spouse is still actively working for a company with 20 or more workers when you turn 65 (or 100 or more workers if you are under 65 and receiving Social Security Disability payments)

You get health insurance through your job or your spouse's job. In this instance, your employer coverage will be primary to Medicare coverage.

What is the effect of delaying Part B?

You may save money. There is a monthly premium for Part B. If you already get health coverage through your job or your spouse's job, you may not need Part B coverage. Check with your human resource department to find out, or a Certified Medicare Insurance Planner.

You can delay your Medigap Open Enrollment Period. Many people without retiree coverage purchase supplements to Medicare that cover some or all of Medicare's deductibles and coinsurance. This is called Medigap insurance. When you first sign up for Part B, you are entitled to a six-month Open Enrollment Period to purchase Medigap insurance without any reference to your health status, including pre-existing conditions.

After that Open Enrollment Period, Medigap insurers can charge you more or deny you coverage based on your health status. You only get one Open Enrollment Period, so be sure not to miss it.

Who should not enroll in Part A when they turn 65?

Some people have a kind of health insurance through their work called a Health Savings Account (HSA). If you have an HSA, you may not want Medicare Part A right away because neither you nor your employer can contribute to your HSA account once you enroll in Part A. It is really important for you to speak with your job's human resources department to see how Medicare may change your benefits.



What if I have a Health Savings Account (HSA)?

Some people have a kind of health insurance through their work called a High-deductible Health Plan with a Health Savings Account (HSA). Funds contributed to an HSA are not subject to federal income tax and must be spent on qualified medical expenses. You cannot contribute to an HSA after enrolling in Medicare Parts A and/or B. However, you can continue to withdraw accumulated funds and spend them on qualified medical expenses, including Medicare deductibles and coinsurance.

If you contribute to an HSA and are eligible to join Medicare Part A, you need to know about receiving Social Security (SS) benefits (a check), Part A retroactive coverage, and an IRS tax penalty.

Receiving SS benefits triggers Part A enrollment, which cannot be declined. You can, however, delay receiving SS benefits and therefore Part A enrollment. An IRS penalty applies if you enroll in Part A more than 6 months after your 65th birthday. You will be automatically and retroactively enrolled in Part A for 6 months.

The retroactive coverage results in a tax penalty for any HSA contributions made during the automatic 6 month retroactive coverage period. To avoid this penalty, stop contributions to your HSA 6 months prior to joining Medicare Part A. For more detail about HSA rules, visit the HSA IRS website (<http://www.irs.gov/publications/p969/ar02.html>).

What if I work for a small company or am self-employed?

If you work for a small company (less than 20 employees) or are self-employed, you will probably need to take Medicare Part B in addition to Part A when you turn 65.





I have Medicare. How does it work with my employer insurance?

If you have Medicare and other health insurance or coverage, each type of coverage is called a “payer.”

When there’s more than one payer, “coordination of benefits” rules decide which one pays first. If the group health plan didn’t pay all of your bill, the doctor or healthcare provider should send the bill to Medicare for secondary payment.

Medicare will look at what your group health plan paid and pay any additional costs up to the Medicare-approved amount. You’ll have to pay whatever costs Medicare or the group health plan doesn’t cover.



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Kaylaven Middleton is a Certified Medicare Insurance Planner CMIP(R) and the Founder and CEO of MediSolutions, LLC. She is also known as The Medicare Boss Lady. She has been in the Healthcare industry for over 40 years and 12 years in Employer group health plans. She has bridged her knowledge of Employer group plans with her extensive Medicare knowledge in forming a service called "MedicareHR," serving as an extension to the HR professional in navigating those confusing Medicare questions their employees ask.

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