



WHAT YOU NEED TO KNOW ABOUT MEDICARE

Medicare is complicated. There are so many confusing messages out there about Medicare plans and programs, and even more confusing are the special circumstances that affect when someone should enroll in Medicare. Unfortunately, not knowing the details of Medicare can cause someone to get stuck with a lifelong late penalty, gaps in coverage, and/or tax penalties.

Working Employees Age 65 and beyond and Medicare

If you (or your spouse) are still working at age 65 and beyond, Medicare works a little differently. Whether you need to sign up for Medicare depends on two important factors:

- 1) how you get your health insurance now and
- 2) the number of employees that are in the company where you (or your spouse) work.

If you (or your spouse) work for an employer or company with 20 or more employees and are enrolled in their group health insurance plan, you can delay Medicare enrollment without penalty. If your (or your spouse's) employer or company has more than 20 employees:

- Your job-based insurance pays first, and Medicare pays second.
- In this situation, you do not need to enroll in Medicare.
- If you qualify for premium-free Part A, you can (and should) enroll in Part A only (see section if funding an HSA account)
- As for Part B, you can wait until you stop working (or lose your health insurance, if that happens first) to sign up, and you won't pay a late enrollment penalty.

Employer-Sponsored HSA and Medicare

A very important detail for those who fall into this category: If you contribute to a Health Savings Account (HSA), you should not enroll in Part A. You cannot contribute to an HSA and be enrolled in Medicare. If you do, you may be subject to tax penalties.

If you have COBRA:

- Sign up for Medicare when you turn 65 to avoid gaps in coverage and a monthly Part B late enrollment penalty.
- Medicare pays first, once you turn 65, so if you do not enroll in Medicare while on COBRA, they may not pay your claims since you are now Medicare eligible.

Contact Rural Health Advisors

Maci Mishler at:

866-377-1116

maci@getruralhealth.com