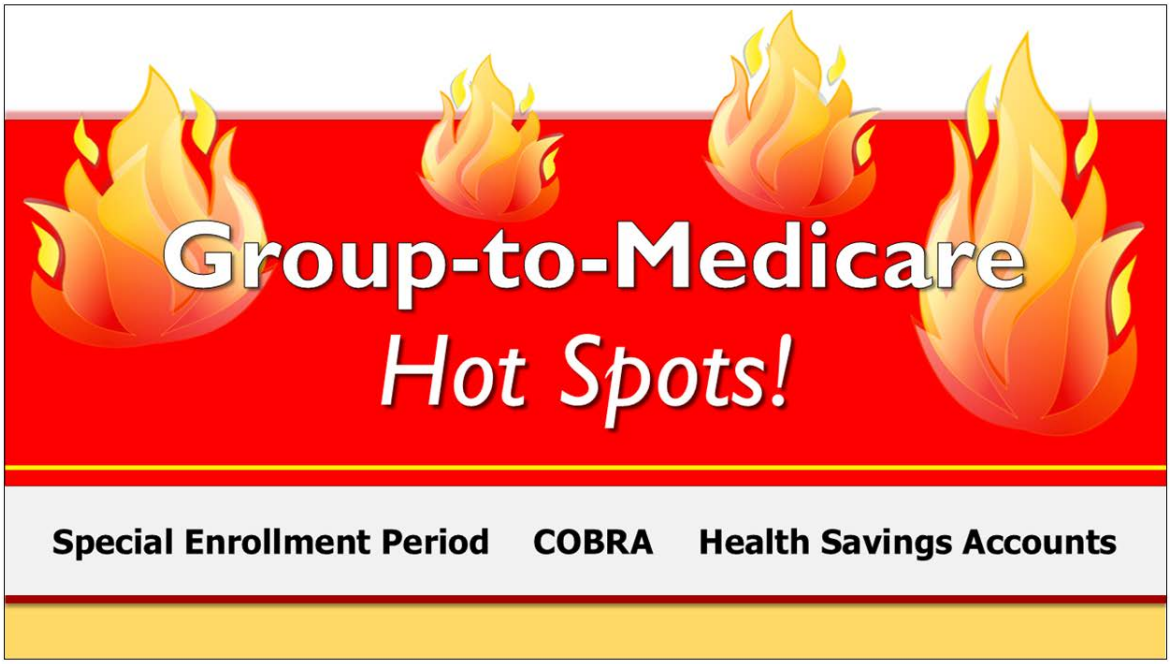


Presentation Slides

Note-Taking Format

THE TURNING 65
WORKSHOP
Helping Employees Build a Solid Retirement

turning65workshop.com

DISCLAIMER

The content of this video presentation does not constitute and should not be construed as legal, tax, or financial advice. It is intended for general audiences- not as personal, specific advice to individual participants. Any viewer seeking guidance related to a personal filing decision- either for themselves or on behalf of another person- must contact the Social Security Administration (which administers Medicare enrollment), and/or the appropriate Medicare coverage entity (for example, a specific Part C Medicare Advantage plan).

The content is based on *current* laws, regulations, and administrative rules. Future changes may result in different benefits, eligibility requirements, enrollment procedures, or other considerations than those presented.

The All-Important SEP

The Special Enrollment Period is the focus if Medicare delayed while staying on a Group Plan.

Enrollment SEP

Must first request Part A
(included in the online process, or call SSA)

Part A is RETROACTIVE 6-months from *the 1st of the month the request submitted.*

Enrollment SEP

SSA.gov/medicare/sign-up
*Online **my Social Security** account required*

Enrollment SEP

SSA.gov/medicare/sign-up
*Online **my Social Security** account required*

Enrollment SEP

SSA.gov/medicare/sign-up

*Online **my Social Security** account required*

HSA Keepers start here

Applicant information entered in a single portal. Once verified to be in good order, application ***Accepted*** and Part A issued.

Medicare ID number assigned

A/B Splitters start here

Applicant ***uploads*** a copy of the completed and signed Employer Verification **form CMS L-564**.

Once the CMS L-564 is determined to be in good order, the SEP application is then ***Approved*** and Part B issued.

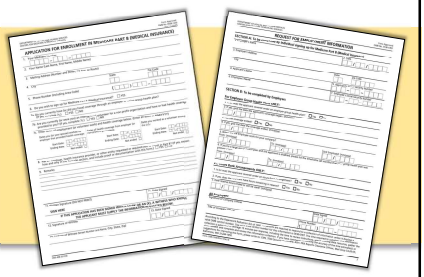
Creation of Medicare online account required. Can print temporary ID Card, pay premiums, etc.

Alternative SEP Enrollment

*Mail, Fax, or In-Person (if available) to **local SSA Field Office***

'Traditional' Process

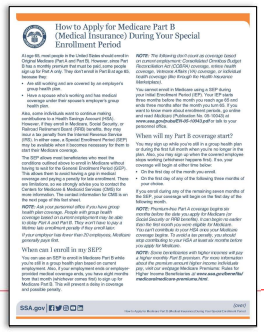
SEP Enrollment



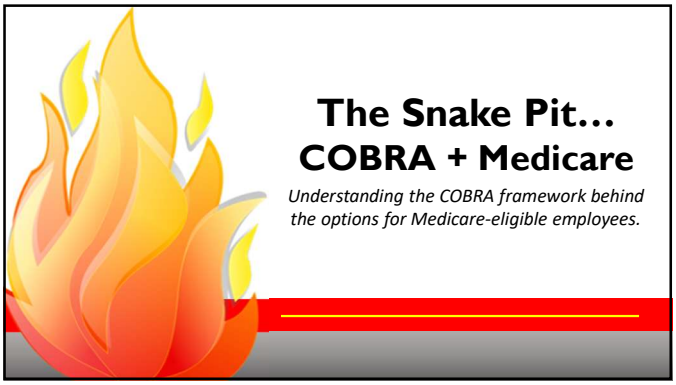
Employee: **Form CMS 40B**

Employer: **Form CMS L564**

For either online or traditional submissions, track the status with a '*my* Social Security' account.



How to Apply for Medicare Part B (Medical Insurance) During Your Special Enrollment Period



The Snake Pit…
COBRA + Medicare

Understanding the COBRA framework behind the options for Medicare-eligible employees.

Medicare + COBRA
PRIMARY

Which Comes First?
Summary

If COBRA starts first, it will end or only provide limited secondary benefits upon enrollment in Medicare at Age 65. ☑

☑ **If Medicare starts first** *(A/B Stackers, A/B Splitters)* COBRA must be offered when employment ends. If elected, Medicare becomes primary and COBRA only provides limited secondary benefits.

**** Primary resource is the COBRA Administrator for your Group Health Plan ****

Which Comes First?

COBRA

In most cases, COBRA ends for beneficiaries who enroll in Medicare at Age 65.

Most employers end COBRA upon Medicare enrollment at 65. Some allow it to continue as Secondary coverage.

Medicare + COBRA
PRIMARY

*** Know your COBRA Plan Document and clearly communicate Age 65 coverage changes to COBRA beneficiaries ***

Which Comes First?

Medicare

COBRA must be offered to an Age 65+ employee or covered spouse who first enrolled in Medicare (including Part A only).

If COBRA elected, it would only provide limited Secondary coverage. ***Medicare is Primary coverage!***

Medicare + COBRA
PRIMARY

When A/B Splitters add Part B...

SEP 8 months + **COBRA** 18 months

1. Prompt **SEP** enrollment (whether or not COBRA elected) avoids uncovered Part B claims. *Medicare will be either the sole or Primary coverage!*
2. Not enrolling in Part B within the 8-month **SEP** requires then using the General Enrollment Period (with potential lifetime delayed enrollment penalty) because COBRA is not SEP-eligible coverage.

Medicare + COBRA
PRIMARY

COBRA & Medicare

Questions? Contact your COBRA Administrator

Medicare Becomes the Primary Coverage!

This content is a limited overview of the basic framework for when COBRA and Medicare come into contact. It is not uncommon for employees to have complex circumstances that require careful analysis of Medicare enrollment and COBRA election options. In such cases, the COBRA administrator for your Group Health Plan is the primary resource.

When COBRA Starts First

In most cases, COBRA coverage ends for Age 65 beneficiaries who enroll in Medicare. However, some employers permit ongoing COBRA, which only provides limited secondary coverage because Medicare is Primary.

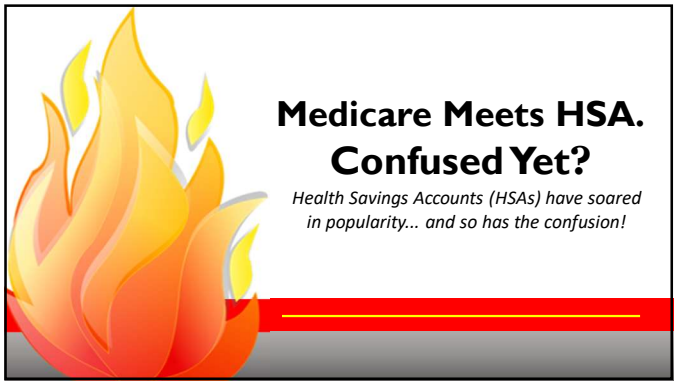
When Medicare Starts First

If Medicare (including Part A only) is effective on or before the date the COBRA election period starts, then a COBRA election is available. For claims coordination, Medicare will be Primary and COBRA secondary.

If COBRA is elected by beneficiary who has Part A only coverage, then prompt Part B enrollment (through the Special Enrollment Period) is important. This is because until Part B goes into effect there will be no Primary coverage for any Part B physician and outpatient claims.

In addition, COBRA beneficiaries who need to add Part B should know that unless they enroll during the Special Enrollment Period (8 -months beginning on the earlier end date of employment or the group health coverage), they would have to use the General Enrollment Period, which is subject to a permanent Part B premium 'late enrollment' penalty.

Different rules may apply for disability-based Medicare and in states with small employer 'mini COBRA' laws.



Medicare Meets HSA. Confused Yet?

Health Savings Accounts (HSAs) have soared in popularity... and so has the confusion!

Medicare + HSA

HSA Situation # 1

Mistakenly Enrolled at 65 in 'Free' Part A During IEP

- ***If not receiving Social Security*, contact local SSA office ASAP to appeal Part A enrollment.**

Any Part A benefits received must be repaid.

Medicare + HSA

HSA Situation # 2

HSA Maximum Family Contribution still allowed *with Spouse on Medicare if...*

Non-Medicare Spouse

- Owns the HSA
- Covers a dependent on their Group Health Plan

Medicare + HSA

HSA Situation # 3

Didn't know Part A begins 6-Months Retroactive… and Overfunded Final Year

When Part A begins at age 65 ½ or older

Part A is retroactive to 6-months *from the 1st of the month that the request was submitted.*

This will be the date used to calculate the final year, pro-rated maximum HSA contribution amount.

Medicare + HSA

HSA Situation # 3

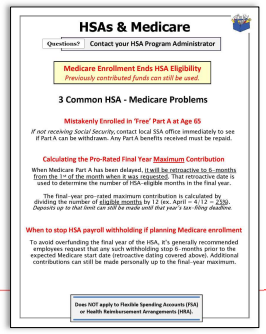
Didn't know Part A begins 6-Months Retroactive… and Overfunded Final Year

When Part A begins at age 65 ½ or older

- **Not Yet Filed** … Withdraw Excess Amount
- **Already Filed** … Withdraw Excess Amount

Plus File Amended Return

Excess amount: Report as income + subject to 6% penalty



HSAs & Medicare

Questions? Contact your HSA Program Administrator

Medicare Enrollment Ends HSA Eligibility

Previously contributed funds can still be used.

3 Common HSA - Medicare Problems

Mistakenly Enrolled in 'Free' Part A at Age 65

If not receiving Social Security, contact local SSA office immediately to see if Part A can be withdrawn. Any Part A benefits received must be repaid.

Calculating the Pro-Rated Final Year Maximum Contribution

When Medicare Part A has been delayed, it will be retroactive to 6-months from the 1st of the month when it was requested. That retroactive date is used to determine the number of HSA-eligible months in the final year.

The final-year pro-rated maximum contribution is calculated by dividing the number of eligible months by 12 (ex. April = 4/12 = 33%). *Deposits up to that limit can still be made until that year's tax- filing deadline.*

When to stop HSA payroll withholding if planning Medicare enrollment

To avoid overfunding the final year of the HSA, it's generally recommended employees request that any such withholding stop 6- months prior to the expected Medicare start date (retroactive dating covered above). Additional contributions can still be made personally up to the final-year maximum.

Does NOT apply to Flexible Spending Accounts (FSA) or Health Reimbursement Arrangements (HRA).

Need Medicare Answers?

- ☑ **Contact Group Health Plan**
  Identify Medicare support contact(s) if possible. Answers in writing!
- ☑ **Online Resources**
  Medicare.gov (general) • SSA.gov (enrollment) • CMS.gov (detailed)
- ☑ **Medicare & You Handbook**
  Keep current annual copy as a 'desk reference'.
- ☑ **Phone Numbers**

Medicare Helpline **(800) 633-4227**
** General Medicare Coverage Questions*

Social Security National Line **(800) 772-1213**
** Medicare Enrollment Questions*

THE TURNING 65 WORKSHOP

LinkedIn *Search...* ***Portland, Maine area***

Thomas Wright

Turning-65-Workshop

How to Apply for Medicare Part B (Medical Insurance) During Your Special Enrollment Period

At age 65, most people in the United States should enroll in Original Medicare (Part A and Part B). However, since Part B has a monthly premium that must be paid, some people sign up for Part A only. They don't enroll in Part B at age 65, because they:

- Are still working and are covered by an employer's group health plan.
- Have a spouse who's working and has medical coverage under their spouse's employer's group health plan.

Also, some individuals want to continue making contributions to a Health Savings Account (HSA). However, if they enroll in Medicare, Social Security, or Railroad Retirement Board (RRB) benefits, they may incur a tax penalty from the Internal Revenue Service (IRS). In either case, a Special Enrollment Period (SEP) may be available when it becomes necessary for them to start their Medicare coverage.

The SEP allows most beneficiaries who meet the conditions outlined above to enroll in Medicare without having to wait for the General Enrollment Period (GEP). This allows them to avoid having a gap in medical coverage and paying a penalty for late enrollment. There are limitations, so we strongly advise you to contact the Centers for Medicare & Medicaid Services (CMS) for more information. The contact information for CMS is on the next page of this fact sheet.

NOTE: *Ask your personnel office if you have group health plan coverage. People with group health coverage based on current employment may be able to delay Part A and Part B. They won't have to pay a lifetime late enrollment penalty if they enroll later.*

If your employer has fewer than 20 employees, Medicare generally pays first.

When can I enroll in my SEP?

You can use an SEP to enroll in Medicare Part B while you're still in a group health plan based on current employment. Also, if your employment ends or employer-provided medical coverage ends, you have eight months from that month (whichever comes first) to sign up for Medicare Part B. This will prevent a delay in coverage and possible penalty.

NOTE: *The following don't count as coverage based on current employment: Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage, retiree health coverage, Veterans Affairs (VA) coverage, or individual health coverage (like through the Health Insurance Marketplace).*

You cannot enroll in Medicare using a SEP during your Initial Enrollment Period (IEP). Your IEP starts three months before the month you reach age 65 and ends three months after the month you turn 65. If you want to know more about enrollment periods, go online and read *Medicare* (Publication No. 05-10043) at ***www.ssa.gov/pubs/EN-05-10043.pdf*** or talk to your personnel office.

When will my Part B coverage start?

You may sign up while you're still in a group health plan or during the first full month when you're no longer in the plan. Also, you may sign up when the covered employee stops working (whichever happens first). If so, your coverage will begin at either time below:

- On the first day of the month you enroll.
- On the first day of any of the following three months of your choice.

If you enroll during any of the remaining seven months of the SEP, your coverage will begin on the first day of the following month.

NOTE: *Premium-free Part A coverage begins six months before the date you apply for Medicare (or Social Security or RRB benefits). It can begin no earlier than the first month you were eligible for Medicare. You can't contribute to your HSA once your Medicare coverage begins. To avoid a tax penalty, you should stop contributing to your HSA at least six months before you apply for Medicare.*

NOTE: *Some beneficiaries with higher incomes will pay a higher monthly Part B premium. For more information about the premium amount higher income individuals pay, visit our webpage* Medicare Premiums: Rules for Higher Income Beneficiaries *at* ***www.ssa.gov/benefits/medicare/medicare-premiums.html****.*

What happens if I don't sign up for Medicare Part B?

If you don't sign up for Part B when you're first eligible and you don't qualify for a SEP:

- You may have to pay a late enrollment penalty for as long as you have Part B.
- You may have to pay all of the costs for doctors' services, outpatient care, medical supplies, and preventive services.
- You can only sign up between January 1 and March 31, which may delay and cause a gap in health care coverage. Your coverage starts the first day of the month after you sign up.

How to apply

You may not have signed up for Medicare at age 65, perhaps because you have health coverage through an employer or a Health Savings Account. If so, you can apply on our website using our online Medicare application at ***www.ssa.gov/benefits/medicare/***.

If you already have Medicare Part A and you want to enroll in Part B, you can use **one** of the following options:

1. Go to "Apply Online for Medicare Part B During a Special Enrollment Period" and complete CMS-40B and CMS-L564. Then, upload your evidence of Group Health Plan (GHP) or Large Group Health Plan (LGHP) coverage based on current employment. You can complete and upload Form CMS-L564 (Request for Employment Information), or provide written notification (a letter, fax, or email) from the employer, GHP, or LGHP.
2. Fax your CMS-40B and employer-signed CMS-L564 (or written notification) to your local Social Security office.
3. Mail your CMS-40B and employer-signed CMS-L564 (or written notification) to your local Social Security office.

NOTE: *When completing the CMS-L564:*

- State, "I want Part B coverage to begin (MM/YY)" in the remarks section of the CMS-40B form or online application.
- If your employer is unable to complete Section B of the CMS-L564, please complete that portion as best as you can on their behalf and submit one of the following forms of secondary evidence:
  - Income tax returns that show health insurance premiums paid.
  - W-2s reflecting pre-tax medical contributions.
  - Pay stubs that reflect health insurance premium deductions.
  - Health insurance cards with a policy effective date.
  - Explanations of benefits paid by the GHP or LGHP.
  - Statements or receipts that reflect payment of health insurance premiums.

It is easy to complete and submit your application online. You can also submit the completed and signed forms CMS-40B and CMS-L564 (or written notifications) by mail or by contacting your local Social Security office. After your application is processed, you'll receive a *Medicare & You* Handbook (Publication No. CMS-10050) that describes your Medicare benefits and plan choices.

For the latest information about Medicare, please visit ***Medicare.gov*** or call the toll-free number **1-800-MEDICARE** (**1-800-633-4227**) or TTY number, **1-877-486-2048**, if you're deaf or hard of hearing.

Contacting Us

The most convenient way to do business with us is to visit ***www.ssa.gov*** to get information and use our online services. There are several things you can do online: apply for benefits; start or complete your request for an original or replacement Social Security card; get useful information; find publications; and get answers to frequently asked questions.

Or, you can call us toll-free at **1-800-772-1213** or at **1-800-325-0778** (TTY) if you're deaf or hard of hearing. We can answer your call from 8 a.m. to 7 p.m., weekdays. We provide free interpreter services upon request. For quicker access to a representative, try calling early in the day (between 8 a.m. and 10 a.m. local time) or later in the day. **We are less busy later in the week (Wednesday to Friday) and later in the month**. You can also use our automated services via telephone, 24 hours a day, so you do not need to speak with a representative.

Securing today and tomorrow

Social Security Administration
Publication No. 05-10012
September 2022 (Recycle prior editions)
How to Apply for Medicare Part B (Medical Insurance) During Your Special Enrollment Period
Produced and published at U.S. taxpayer expense

COBRA & Medicare

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