



How Medicare and Insurance Through Your Current Job Work Together

I am 64 years old and have insurance coverage through my job. I will be eligible for Medicare in six months but do not plan to retire for a few more years. I am not sure how Medicare will work with the insurance I receive through my job. I know that I am eligible for Part A and Part B but I heard if I enroll in Medicare Part B, I will have to pay a monthly premium. I have a lot of questions and am not sure what to do. Can I wait to enroll in Medicare since I have insurance through current my job?

~ Mrs. Green

Dear Mrs. Green,

First, you need to contact the benefits administrator at your job to find out how your insurance through your **current** job works with Medicare. This person may be in your company's Human Resources department or at the insurance company. Most people enroll in Part A when they are first eligible for Medicare because there is no premium for Part A if you have worked and contributed to Social Security for at least 10 years. However, when you should enroll in Part B depends in large part on how many employees work for your employer.

Please note, your employer's insurance may look exactly the same after you turn 65, but because you're eligible for Medicare it may work differently.

In most cases, if your employer has **less than 20 employees**, when you turn 65 Medicare will become your primary insurer and your employer's health plan becomes secondary. This means Medicare pays first and your employer pays second. If this is the case, you will need to enroll in Medicare Parts A and B to make sure all your health care bills are covered.

If your company has **20 or more employees**, your employer pays first and Medicare pays second. You should enroll in Part A if it is premium-free for you, but you can delay enrolling in Part B and take it when you quit working or your employer no longer offers you insurance coverage. When this happens, you will receive what is called a "special enrollment period" to enroll in Part B. This special enrollment period lasts while you're still working and for up to eight months after your coverage through your job ends or you stop working – whichever happens first. If possible, it is best to enroll in Part B before you stop working to avoid gaps in coverage. You will not have to pay a Part B late enrollment penalty if you enroll in Part B during your special enrollment period.

If you are considering declining or delaying enrollment into Part B, you should also contact the Social Security Administration to be sure you understand and are following the rules. It is

a good idea to keep a detailed record of who you spoke to at Social Security and what they told you in case there are any issues with your benefits in the future. If you have delayed enrolling in Part B, when your current employer insurance ends, you must sign up for Part B during the special enrollment period to avoid paying a late enrollment penalty (higher monthly premiums for life). In addition, if you miss your special enrollment period, you may only be allowed to enroll during the General Enrollment Period from January through March, and your Medicare Part B coverage will not begin for several months.

If your insurance through your job offers **prescription drug coverage** then you also want to ask your plan's benefits administrator if your prescription drug coverage is considered "creditable." Creditable coverage means that your insurance is as good as or better than prescription drug coverage through Medicare Part D. If your drug plan is creditable, you may keep your employer's drug plan without paying a penalty if you decide to enroll in a Part D plan at a later time. You should receive a notice from your drug plan every year stating that it is creditable.

When your drug coverage through your current job is no longer offered, you will receive a special enrollment period that lasts 63 days to enroll in a Medicare Part D prescription drug plan. It is best to enroll early to avoid gaps in coverage. In order to avoid paying a penalty, make sure not to go longer than **63 days** without enrolling in a Part D plan or some other kind of creditable coverage.

Here is where you can go for additional information or if you need help:

Medicare: 800-MEDICARE (800-633-4227) or TTY 877-486-2048
Social Security Administration: 800-772-1213 or TTY 800-325-0778

Online Resources:

Medicare Part D for People Who Have Drug Coverage Through an Employer or Union:
<http://www.medicare.gov/Publications/pubs/pdf/11107.pdf>

Who Pays First - <http://www.medicare.gov/publications/pubs/pdf/02179.pdf>



AgeOptions on behalf of the Make Medicare Work Coalition



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