

# Turning 65? Retiring?

You have several important decisions to make BEFORE you turn 65 or retire ...



## SHOULD YOU ...

- Enroll in Medicare Part A and/or Part B?
- Join a Medicare Prescription Drug Plan?
- Buy a Medigap policy?
- Enroll in a Medicare Advantage Plan? OR
- Keep employee or retiree coverage? OR
- Apply for COBRA benefits instead of Medicare?



By understanding your choices, you can avoid pitfalls, penalties, and paying too much to get the health coverage that meets your needs.

**TURNING 65?** If you are collecting Social Security before turning 65, you will be automatically enrolled in Medicare A&B at 65. You are eligible to enroll in Part A, usually with \$0 premium, if you worked 40 quarters. **If you work for an employer with less than 20 employees, you need Medicare at age 65 even if working.** Medicare is primary. If you are under spouse health insurance or you work beyond age 65 with health coverage and want to **decline or postpone** Part B benefits, contact Social Security.



Understand how your employee coverage works with Medicare. The expert on your employee coverage is your Employer Benefits Coordinator.

**ATTENTION RETIREES** — What happens with your health coverage when you retire? Your first step is to make an appointment, months in advance of your planned retirement date, with the Benefits Coordinator at your company (usually part of Human Resources). Learn about your options. Understand special rules regarding COBRA and Medicare. Know your coverage and your cost. Ask questions.

You have a Special Enrollment Period to enroll in Medicare Part A, B & D (or A, B & C, if you want a Medicare Advantage plan) if you are 65+ when you retire. It only lasts **63 days** after your employment or your retiree coverage stops. You have **six months** after enrolling in Part B to enroll in a Medigap without underwriting. However, you will want to coordinate your enrollment to coincide with your retirement/loss of coverage date, so there are no gaps in coverage.



No matter how you receive retiree health benefits, at age 65, you should enroll in Medicare Part A and *probably* Part B. Some exceptions to needing Part B enrollment are Retired Civil Service plans and perhaps a very small number of Union or Employee/Retiree Group Health Plans. **NOTE:** You cannot contribute to a Health Savings Account (HSA) up to six months before receiving Medicare Part A.

**Be sure to include Medicare in your retirement planning.**

## Pre-Retirement Checklist

- Make an appointment with your Benefits Coordinator several months before your planned retirement date.
- How may additional family coverage be affected? Can you continue vision and dental?
- Learn what your retiree coverage choices are, the benefits, and how much it will cost you out of pocket, so you can accurately compare it with Medicare options.
- Think about what you like and dislike about your current health insurance.
- If you consider COBRA coverage, learn about the COBRA election period, your Part B enrollment period, Part B Late Penalties and your Medigap Open Enrollment Period. *COBRA US Dept Labor 626-229-1000*
- Make an appointment with HICAP well in advance to learn about Medicare and review your options.



## ask Questions for Your Benefits Coordinator

- ★ **How many employees does your company have?** *Medicare works differently depending on the number of workers a company has. In companies with less than 20 employees, Medicare is Primary, even for **active workers 65+**. For most **Retirees 65+**, Medicare is Primary and your company insurance is Secondary (unless your company provides an exception).*
- How does your employer/retiree coverage work with Medicare? What does it cost?**
- How are prescription drugs covered?** *Often employer coverage can be better than Medicare Part D.*
- Does your employer provide coverage for retirees?** *Retiree coverage may be the same or different from employee coverage. Employers are not required to provide coverage for retirees. Companies can change benefits or premiums and even cancel coverage. Retiree coverage without Medicare Part B can result in a late enrollment penalty that lasts a lifetime should you decide to leave that coverage a year or more after retirement. Retiree coverage could refuse to pay for medical services if you are over 65 and do not have Medicare. Does your retiree coverage include other family members? Does it coordinate with Medicare?*
- If you drop your retiree employer coverage, can you get it back?** *Most won't let you back in if you drop.*
- If you are 65+, complete form CMS-L564 for HR** showing "continuous employee health insurance coverage from \_\_\_\_ to \_\_\_\_." *You can only be without coverage for 63 days or may face a late penalty.*
- If 65+, and you have Part A, complete Form CMS-40B "Application for Part B" or enroll online.** *Often letters are sent by employers every September stating you have Creditable Coverage. **KEEP THEM.** You may need this if Medicare thinks you should pay a late enrollment penalty.*
  - **Know Medicare deadlines** so that you avoid gaps and delayed coverage or lifetime late enrollment penalties. You have eight months after work or insurance stops — **WHICHEVER IS FIRST** — to enroll in "B".
  - **CAUTION:** Enrolling in Part D could result in losing your retiree health benefits OR affect employer coverage. **For more information on who pays first:**  
<https://www.medicare.gov/supplements-other-insurance/how-medicare-works-with-other-insurance>

Ventura County Area Agency on Aging — Health Insurance Counseling & Advocacy Program (HICAP)  
4651 Telephone Rd., Ventura, CA 93003 • 805-477-7300 • 800-434-0222 • vcaaa.org/HICAP • HICAP@ventura.org



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