



Know Your Benefits

When Should Working Employees Enroll in Medicare?

As you approach or have already reached the age of 65, a significant milestone awaits: enrollment in Medicare. Whether you're continuing to work or transitioning into retirement, understanding the ins and outs of Medicare is crucial for securing your health care coverage and bolstering your financial security.

Medicare works slightly differently if you or your spouse are still working when you turn 65. This article explores considerations for working individuals over 65 who are navigating the Medicare enrollment process.

Understanding the Enrollment Period

The initial enrollment period for Medicare begins three months before turning 65 and extends for three months afterward. However, you may be eligible for a special enrollment period (SEP) if you're still working and have health coverage through your employer. An SEP allows you to enroll in Medicare without penalties when your employer coverage ends or within eight months after employment ends, whichever comes first.

Failing to enroll in Medicare when you're first eligible could result in late enrollment penalties, particularly for Medicare Part B and Part D. These penalties can increase your monthly premiums for as long as you have Medicare coverage. Therefore, it's essential to understand your

enrollment deadlines and act promptly to avoid any penalties.

Considering Coverage Options

Original Medicare consists of Part A (hospital insurance) and Part B (medical insurance), which provide coverage for hospital stays, doctor visits and some medical services. On the other hand, Medicare Advantage (Part C) combines Parts A and B and often includes prescription drug coverage (Part D) along with additional benefits like vision and dental.

Consider the following Medicare nuances for working employees:

- Most people should enroll in **Part A** when they turn 65, even if they have health insurance from an employer. If you're contributing to a health savings account, you may want to consider delaying Medicare Part A enrollment.
- Most people need to enroll in **Part B** when they turn 65; however, individuals who have health insurance from their (or their spouse's) current employer may be able to delay enrolling in Part B without penalty and save on the cost of the Part B premium.
- Individuals with health savings accounts can't contribute if enrolled in any part of Medicare.

You should always contact your employer or benefits administrator before delaying Parts A and B to determine how your insurance works with Medicare. Your employer coverage may require that you enroll in Part A and Part B to receive your full coverage.

Factors for Deciding Whether to Enroll in Medicare

If you have health insurance through an employer, there are several factors to consider when deciding whether to switch to Medicare:

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- **Spouse and family coverage**—Medicare coverage is for individuals only, so if your employer’s health plan covers your spouse or children, continuing with your employer-provided insurance may make sense.
- **Prescription drug coverage**—Many prescription drugs are covered by Part D plans, which currently don’t have out-of-pocket (OOP) maximums. Therefore, evaluate which prescription drug coverage meets your medical and financial needs.
- **Provider access**—Employers’ health insurance plans often limit your choice of in-network providers, so if you have significant medical issues, you may want to switch to Medicare. Traditional Medicare with Medigap offers the most robust coverage and access to care.
- **Costs**—Do the math and compare the premiums and OOP costs in your employer’s health plan with the same costs through Medicare.

Talk to your HR representative if you have any benefits-related questions.

The choice will be different for everyone, so it comes down to what’s best for you and your family. The decision to switch to Medicare or continue employer-provided coverage largely depends on the unique needs and circumstances of the individual.

Additionally, this [fact sheet](#) from the Centers for Medicare & Medicaid Services can help you decide whether to enroll in Medicare when turning 65.

Conclusion

Medicare enrollment can be complex, especially if you’re still working and have employer-sponsored coverage. Therefore, don’t hesitate to seek guidance from resources like the Social Security Administration, [Medicare.gov](#) or a trusted insurance advisor who can help clarify your options and ensure you make informed decisions. By understanding your options, you can confidently navigate the Medicare enrollment process to secure comprehensive health care coverage for your retirement years.