



If you're nearing retirement age, or are over 65 and still working, you may have questions about Medicare. Read on for the information you need to know.

## MEDICARE 101

### What Is Medicare?

Medicare is health insurance for people who are age 65 or older, under 65 with certain disabilities,

### Types of Medicare

There are four types of Medicare.

#### **Medicare Part A**

helps cover inpatient care in hospitals, skilled nursing facilities, and hospice and home health care. Generally there is no monthly premium if you qualify and paid Medicare taxes while working.

#### **Medicare Part B**

helps cover medical services like doctors' services, outpatient care and other medically necessary services that Part A doesn't cover. You need to enroll in Medicare Part B and pay a monthly premium determined by your income, along with a deductible.

Many people also purchase a supplemental insurance policy, such as a Medigap plan, to handle any Part A and B coverage gaps.

#### **Medicare Part C**

also known as Medicare Advantage Plans, are combination plans managed by private insurance companies approved by Medicare. They typically are a combination of Part A, Part B and sometimes Part D coverage, but must cover medically necessary services. These plans have discretion to assign their own copays, deductibles and coinsurance.

#### **Medicare Part D**

is prescription drug coverage and is available to everyone with Medicare. It is a separate plan provided by private Medicare-approved companies, and you must pay a monthly premium.

## DECIDING ON THE C'S

If you are still working and trying to decide between Medicare and your Employer's Group Plan, there are several important considerations.

**Cost:** There can be additional costs associated with Medicare (penalties) and we can help you determine the best path.

**Coverage** You will need to compare the coverage, cost, and networks between your options. We help craft your coverage to meet your specific personal needs,

**COBRA:** Do you have a spouse that does not reach Medicare the same time as you? We can help you with a strategy to make that transition smooth for both of you.

**Creditable?** There are penalties associated with late enrollment in Part D if you do not maintain continuous creditable coverage. We can help you review your situation to avoid penalties.

Read on for more detail!



## ENROLLING

Most persons aged 65 or older are automatically entitled to premium-free Part A because they or their spouse paid Medicare payroll taxes for at least 40 quarters (about 10 years).

Enrollment in Medicare Part B is voluntary. All persons entitled to Part A may enroll in Part B by paying a monthly premium. Typically the monthly premium for Part B is \$170 (2022). If you are a high income earner, you may be subject to an increase called the Income Related Adjustment. (More details on page 3)

Your initial enrollment period begins 3 months before your 65th birthday, the month of, and the 3 months following (7 months total) However, if you remain covered by your employer plan, you will be granted a Special Enrollment Period (SEP) when you leave that coverage and join Medicare. That SEP grants you all the same choices you would have if you enrolled when first eligible.

You will need to decide if you are joining Medicare during your Initial Enrollment Period -- or using your Special Enrollment Period at a later date.

If you are collecting Social Security - you will be auto-enrolled, and your card will arrive 2-3 months before your 65th birthday. You do not have to take any action.

If you are not collecting Social Security, you must take action . If you enroll in the months before your birthday, you coverage will begin on the 1st of your birth month. If you enroll in the month of, or the month following your medicare start date will be the 1st of the following month

There are 3 ways to enroll in Medicare:

- By phone 1-800-772-1213
- Online at [www.ssa.gov](http://www.ssa.gov)
- By visiting a Social Security office

You must be enrolled, and have your Medicare card before you can select and enroll in a Medicare Supplement, Advantage plan, or prescription drug plan.

It is important to coordinate the start dates of your medicare coverage and your supplement or advantage plan so you have full continuous coverage.

## HELP WHEN YOU NEED IT

Brad Mickle with Armbruster Executive & Employee Benefits has over 25 years of experience working with Medicare. Brad can help you develop the best plan for when to enroll in Medicare, and what Supplement or Advantage will fit your needs.

Give him a call to talk about your situation!



Brad Mickle

Office: 651-209-2665

Direct: 651-295-7908

Email: [Bmickle@aeebinc.com](mailto:Bmickle@aeebinc.com)



## CREDITABLE COVERAGE

If you do not enroll in a Part D Prescription Drug Plan during your initial enrollment period, will be subject to a Late Enrollment Penalty.

This penalty is permanent and is applied to your Prescription Drug Plan when you do enroll.

If you choose to remain on your Employer's Group Plan - you should ensure that the prescription drug coverage is deemed "creditable." You are not subject to the Part D penalty if you have maintained "creditable" drug coverage.

If your Employer's Group Plan is creditable, you should receive an annual notice. Be sure to keep those notices, as your proof of creditable coverage.

## COBRA CONTINUATION

If you cover a spouse and/or dependents on your Employer's Group Plan it is very important to develop a strategy to maintain coverage for them in the event you choose to enroll in Medicare.

COBRA continuation law will ensure that they can remain covered on the Employer Plan for up to 36 months after you leave it.

You will need to understand the additional coverage options like MNsure Exchange policies, or short term gap policies to ensure that you have a solid strategy for your families continued insurance coverage.

We can assist with placing any of these coverages.



## INCOME RELATED ADJUSTMENT

Filing Status 2021	Filing Status 2021	Part B IRMAA	Part D IRMAA
Individual or MFS	Married Filing Joint	Premium + IRMAA	Premium + IRMAA
\$97,000 or less	\$194,000 or less	\$164.90	Your plan premium
\$97,001 - \$123,000	\$194,001 - \$246,000	\$230.80	\$12.20 + your plan premium
\$123,001 - \$153,000	\$246,001 - \$306,000	\$329.70	\$31.50 + your plan premium
\$153,001 - \$183,000	\$306,001 - \$366,000	\$428.60	\$50.70 + your plan premium
\$183,001 - \$500,000	\$366,001 - \$750,000	\$527.50	\$70.00 + your plan premium
\$500,001 +	\$750,001 +	\$560.50	\$76.40 + your plan premium

If you are a high income earner, you will be subject to a higher Part B premium and a higher Part D premium. This is called the Income Related Monthly Adjustment Amount (IRMAA)

When you enroll in Medicare, they will have a 2 year look back. Example: If you enroll in 2023, they will use your 2021 Adjusted Gross Income to determine if you are subject to IRMAA. Your IRMAA will adjust each year moving forward (2024 uses 2022 tax filing, 2025 uses 2023 tax filing).

If you have a substantial change in circumstance (i.e. retirement) it is possible to request a review and reduction of the IRMAA.