Working Past 65 — Medicare and Employer Coverage

Still working? Turning 65 doesn't necessarily mean you must enroll in Medicare immediately. But getting the timing wrong can be costly.

1. Employer Size Matters

If you're covered by a group health plan through your own or your spouse's current employment, the employer's size generally determines which coverage pays first.

20 or more employees: The employer plan generally pays first. You may be able to delay Medicare Part B without a late-enrollment penalty.

Fewer than 20 employees: Medicare generally pays first. Enrolling in Parts A and B when first eligible is ordinarily important to avoid coverage gaps.

Important: Don't assume that simply continuing to work means you can safely delay Medicare. Confirm the coordination rules with your employer or benefits administrator.

2. Can You Delay Medicare?

Depending on your circumstances, you may be able to:

- Remain on qualifying employer coverage and delay Medicare.
- Enroll in premium-free Part A while delaying Part B.
- Enroll in both Parts A and B while continuing to work.

Important: the Part B Special Enrollment Period applies to coverage based on current employment, not COBRA or retiree coverage.

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These options are not equally appropriate for everyone. Compare your employer premiums, Medicare premiums, deductibles, prescription costs, and coverage for your spouse or dependents.

You may also delay Part D without penalty if you maintain *creditable* prescription drug coverage. Keep your employer's annual creditable-coverage notice.

3. Have an HSA? ***Pay Special Attention.***

Once enrolled in Medicare, including premium-free Part A, you are no longer eligible to make HSA contributions.

The often-overlooked complication: When enrolling after age 65, Medicare Part A coverage may be retroactive for up to six months, but not before your first month of Medicare eligibility.

This can create excess HSA contributions if you haven't planned ahead.

Coordinate the final HSA contribution date with your Medicare enrollment.

4. Planning to Retire?

Start preparing several months before your employer coverage ends.

- Confirm the last day of active-employer coverage.
- Determine when Medicare Parts A and B should begin.
- Understand the Part B Special Enrollment Period, generally eight months after employment or qualifying coverage ends, whichever occurs first.
- Arrange prescription coverage without an avoidable gap.
- Decide between Original Medicare, often supplemented by Medigap and Part D, and Medicare Advantage.

Remember: COBRA does not extend the Part B Special Enrollment Period. And the deadline for obtaining prescription coverage may be much shorter than eight months.

5. Do the Math Before Deciding

Remaining on employer coverage isn't automatically better or worse than moving to Medicare.

Compare the total cost and practical benefits of each option — not just the monthly premium.

The bottom line: Working past 65 gives many people valuable choices, but those choices come with rules and deadlines. Planning ahead helps protect your coverage and avoid unnecessary penalties.

Navigator Benefits — Practical Medicare education to help you make informed decisions.