

Still Working at 65— Do You Need Medicare Yet?

Your No-Panic Medicare Quick Guide

If your employer has 20+ employees and the health plan is "creditable," you can delay Medicare Parts B & D with no penalty. Work for a company under 20? Enroll in Part B (and usually Part D) at 65 to avoid lifelong surcharges.

Translation: One head-count number decides whether you can keep your work plan or must pivot to Medicare—get it wrong and the penalties never end.

Why Does This Matter If You're Still Working?

- **Penalties last forever.** Part B adds **+10% per 12-month delay**; Part D adds **+1% per month** without creditable drug coverage.
- **HSAs stop the clock**. Enrolling in any part of Medicare ends tax-free HSA contributions.
- **Special Enrollment Periods (SEP) are short**. Miss the eight-month clock after leaving the job and you're locked out until the next General Enrollment Period.

What Is the 20-Employee Rule?

Employer Size	Who Pays First	What You Should Do
20+ employees	Employer plan	Delay Parts B & D; verify **creditable** status each year.
Under 20 employees	Medicare	Enroll in Part B (and drug coverage) at 65 to dodge penalties.

Creditable Coverage = Benefits and cost-sharing at least as good as Medicare's.

Ask HR for a written statement confirming both medical and drug coverage qualify.

How Does Medicare Affect Your HSA?

Timeline	HSA Rule	Example
6 mo before enrollment	Stop contributions—Part A can retro-activate 6 months.	Lisa pauses HSA at **64½**, enrolls in Part A on last workday, avoids IRS penalty.

What Are the Lifetime Penalties?

Part	Penalty Formula	Duration
Part B	+10% of standard premium for every 12-month delay without creditable coverage	Forever
Part D	+1% of national base premium per uncovered month (after 63-day grace period)	Forever

How Long Is Your Special Enrollment Period?

Event	Part B Window	Part D / MA Window
Loss of employer coverage	8 months	2 months



Mark those dates **before** you schedule the retirement party.

Are COBRA or Retiree Plans Enough?

Option	Creditable for Part B?	Reality Check
COBRA	**X**	Medicare becomes primary the minute you're eligible; penalties pile up fast.
Retiree Plan	Usually **X**	Pays ***after*** Medicare—skip Part B and you foot the bill.

What About Family Coverage?

Medicare covers **only you**. If dependents rely on your work plan, explore:

- COBRA (pricey, temporary)
- Spouse's employer plan
- ACA Marketplace (possible subsidies)

 Start the search early to avoid coverage gaps.

Key Timeline at a Glance

Age / Event	Action
64½	Pause HSA if planning to enroll in 6 months.
65th birthday	Enroll in Part A (if HSA paused) and confirm creditable status for Parts B & D.
Working (20+ employees)	Re-confirm creditable coverage for each open enrollment.
Retirement / Loss of coverage	Use your SEP: enroll in Part B within 8 months and Part D within 2 months.

HR Conversation Checklist

Take this list to your benefits team:	
✓ Is our **medical** plan creditable for Medicare Part B?	**Yes / No**
✓ Is our **prescription** coverage creditable for Part D?	**Yes / No**
✓ If I keep working, will the plan remain primary once I turn 65?	**Yes / No**
✓ Do you offer documentation stating our plan's creditable status?	**Yes / No**
✓ How does our plan coordinate with Medicare when I retire?	**Notes:**
✓ What happens to my dependents if I leave the plan?	**Notes:**

FAQ

- **Can I delay Medicare if my employer has 20 employees?**
  Yes. With 20 or more employees and creditable coverage, you may postpone Parts B and D without penalty.
- **Does enrolling in Part A stop HSA contributions?**
  Yes. Once you enroll in any part of Medicare, you can't contribute to an HSA, and Part A can retroactively cover up to six months.
- **Is COBRA considered creditable coverage for Medicare?**
  No. Once you're eligible for Medicare, COBRA is secondary. You must enroll in Part B to avoid penalties.

Let MyALEXHealth™ Do the Heavy Lifting

Inside **MyALEXHealth,** ALEX® will:

- Confirm employer size & creditable status
- Flag HSA shutdown date
- Set SEP countdown reminders



Enter your work details and see exactly when to act—confidence included.

Launch ALEX now >

Remember: Confirm employer size and creditable coverage. Pause HSA six months before Medicare starts. Use the eight-month Part B and two-month Part D SEP after leaving work. Missing these deadlines triggers lifetime penalties.

We work with multiple Medicare plan carriers including:

Aetna Inc. • Devoted Health, Inc. • Humana Inc. • Mutual of Omaha Insurance Company

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Enrollment in a plan may be limited to certain times of the year unless you qualify for a Special Enrollment Period or are in your Medicare Initial Enrollment Period.

Medicare Advantage and Part D plans are insured by a Medicare Advantage HMO, PPO and PFFS organization with a Medicare contract and/or a Medicare-approved Part D sponsor. Enrollment depends on the plan's contract renewal with Medicare.

We do not offer every plan available in your area. Currently we represent 4 organizations which offer 1,056 products in your area. Please contact *Medicare.gov* or 1-800-MEDICARE to get information on all your options.

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