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Do you need to sign up for Medicare at age 65?

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Medicare eligibility starts at age 65. Your initial window to enroll is the six-month period that begins three months before your 65th birthday and ends three months after your 65th birthday. If you fail to sign up for Medicare on time, you will risk a Late Enrollment Penalty (10% surcharge) on your Medicare Part B premiums each year-long period you go without coverage upon being eligible. If you have group health insurance coverage from your current employer, you might be able to delay signing up at age 65, depending on the number of employees working for the employer. These same rules apply if your health insurance comes from your spouse's employer.

If you have group health insurance from your employer or your spouse's employer after you turn age 65, you can delay enrolling in Medicare until the employment ends or the coverage stops, without incurring any late penalties if you enroll later. Then, when the employer coverage ends, you have eight months to sign up for Medicare. Active employment does not include health insurance coverage from retiree benefits, COBRA or retiree benefits from a former employer.

The law requires an employer with at least 20 employees to offer the actively employed, post age 65 employees, the same health insurance benefits as pre age 65 employees. If the employer has fewer than 20 employees, the employer can decide if they will require you to enroll in Medicare.

If you receive health insurance through your employer or your spouse's employer plan and the employer has 20 employees or more, you have the choice of:

- Accepting the employer health plan and delaying Medicare enrollment.
- Declining employer coverage and relying solely on Medicare.
- Choosing both the employer coverage and the Medicare coverage at the same time.

In this situation, if you enroll in both the employer group plan and Medicare Part B, the employer plan is always primary and will settle medical bills first. Medicare will only cover what the employer plan does not cover. If you have inadequate employer coverage, you might choose both. Otherwise, if the employer plan has good coverage, then you would be paying double premiums with most likely not much added benefit. In addition, if you sign up for Medicare Part B while you still have employer coverage, you might forgo your right to buy Medicare supplemental insurance (Medigap) with full

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federal protections after active employment ends. Insurance companies are prohibited from denying you a Medigap policy or charging higher premiums based on your health or preexisting medical conditions as long as you buy the Medigap policy within six months of enrolling in Part B.

If you have coverage through an employer plan with less than 20 employees and the employer requires you to enroll in Medicare, then Medicare becomes the primary plan. In this case, you will not surrender your right of buying Medigap supplemental insurance after employment ends if you do so within 63 days of the employer coverage ending. Before you turn 65 and you are subject to the fewer than 20 employees, make sure you ask your employer if you are required to sign up for Medicare when you turn 65.

To summarize, if you have group health insurance from an employer with 20 or more employers for which you or your spouse actively works after you turn 65, you can delay enrolling in Medicare until the employment ends or the coverage stops (whichever happens first), without incurring any late penalties if you enroll later. If the employer has less than 20 employees, the employer can require you to sign up for Medicare. There are two main ways to get your Medicare coverage, either through Original Medicare or Medicare Advantage. In my next blog, I will be going over the details of Original Medicare and when that might make more sense than Medicare Advantage.

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