

## MEDICARE ELIGIBILITY

**Medicare eligibility depends on factors such as age, citizenship or residency status, work history, and specific medical conditions. It's important to understand your options for enrollment and the rules for each part (Parts A, B, and D, Medicare Advantage, and Medigap plans.)**

Medicare provides health insurance to Americans 65 and older as well as to qualified people with disabilities. But qualifying for the program is not always automatic.

If you're **65 or older**, you qualify for Medicare benefits if:

- You are a U.S. citizen or a permanent legal resident who has lived in the United States for at least five years AND
- You are receiving Social Security or Railroad Retirement benefits or have worked long enough to be eligible for those benefits but are not yet collecting them OR
- You or your spouse is a government employee or retiree who has not paid into Social Security but has paid Medicare payroll taxes while working.

You may be able to help eligible family members get Medicare benefits based on your work record. For example, if your spouse does not have enough work credits to qualify for premium-free Part A hospital benefits, they can qualify on your work record. The same is true for your divorced spouse if you were married for at least 10 years.

In addition, a younger person with end-stage renal disease (ESRD) can qualify for Medicare based on a parent's work record.

However, these are only eligibility requirements. Your family members will not be automatically covered by Medicare. They will still need to enroll in a Medicare plan.



To find out when you should apply for Medicare, you can use Medicare's eligibility calculator here: [www.medicare.gov/eligibilitypremiumcalc](http://www.medicare.gov/eligibilitypremiumcalc). If you are eligible, this tool will also give you premium information.

You may qualify for Medicare benefits **under the age of 65** if:

- You've been receiving Social Security disability benefits for at least 24 months (not necessarily consecutive), OR
- You get a disability pension from the Railroad Retirement Board and meet certain conditions, OR
- You have ALS and are deemed disabled, which qualifies you immediately, OR
- You have permanent kidney failure requiring regular dialysis or a kidney transplant, and you or your spouse paid Social Security taxes for a specified period depending on your age.

## If You are Working at 65

If you're still employed and have health insurance coverage from your job (or your spouse's job) when you become Medicare-eligible, things work a little differently. Whether you need to sign up for Medicare when you turn 65 depends on how you get your health insurance and the number of employees at your company.

If you have health insurance through your current job or your spouse's, you don't have to sign up for Medicare while you (or your spouse) are still working. You can wait to enroll until you (or your spouse) stop working or you lose your health insurance.

If you're still working and plan to keep your employer's group health coverage, speak to your benefits administrator so they can help you decide when you should enroll in Part B. You should be eligible for Special Enrollment Period (SEP) through your employer to change, drop, or add coverage when you turn 65.

- If you're self-employed or have health insurance that's not available to everyone at the company: Ask your insurance provider if your coverage is an employer-group health plan. If it's not, sign up for Medicare when you turn 65 to avoid a monthly Part B late enrollment penalty.
- If the employer has less than 20 employees: You might need to sign up for Medicare when you turn 65 to avoid gaps in your job-based health insurance. Check with your employer.

## COBRA and Medicare

If you have COBRA coverage (temporary coverage for certain situations when you lose job-based coverage), it's best to sign up for Medicare as soon as you are eligible to avoid a lapse in coverage and a Part B late enrollment penalty. If you have COBRA before signing up for Medicare, your COBRA coverage will likely end once you enroll in Medicare. You should enroll in Part B immediately because you are not entitled to a SEP when COBRA ends.



If you have Medicare Part A or Part B and then become eligible for COBRA, you can choose to enroll in COBRA. Medicare will be your primary insurance, and COBRA will be your secondary. This means that Medicare will pay for most of your healthcare costs, and COBRA will only pay for the costs that Medicare doesn't cover.

COBRA can be expensive, so you should weigh the pros and cons before deciding whether to enroll. COBRA may be a good option if you have high medical expenses and your COBRA plan covers your Medicare cost-sharing or offers other needed benefits.

However, if you don't have many medical expenses, you may be better off just sticking with Medicare.

### **Buying Into Medicare if You Don't Have Enough Work Credits**

If you do not qualify for Medicare based on your own or your spouse's work record but are a U.S. citizen or have been a legal resident for at least five years, you can still get full Medicare benefits at age 65 or older by buying into them. This involves:

- **Paying premiums for Part A.** How much you pay for Part A depends on how long

you've worked. The longer you work, the more work credits you will earn. Work credits are based on your income; the amount of income it takes to earn a work credit changes each year. You can earn a maximum of 4 work credits annually. If you have fewer than 30 work credits, you pay the maximum. If you have 30 to 39 credits, you pay less, and if you continue working until you gain 40 credits, you will no longer have to pay premiums for Part A.

- **Paying the same monthly premiums for Part B** as other enrollees pay, with higher rates for people with higher incomes.
- **Paying the same monthly premium for Part D** prescription drug coverage as others enrolled in the drug plan you choose, with higher rates for higher incomes. Just as with Part B, you may be subject to an IRMAA if your income is above a certain level. If you must pay an IRMAA, you will pay your premium plus an additional charge.

If you are eligible for Medicare coverage, you are also eligible for the Medicare drug benefit (Part D). To enroll in Part D, you must be enrolled in Medicare Part A and/or Part B. **Regardless of income, health status, or prescription drug usage, everyone with Medicare can enroll in Part D prescription drug coverage.** Medicare drug coverage is only available through Medicare-approved private plans. If you have Medicare Part A and/or Part B and do not have other creditable drug coverage ("creditable" means the drug coverage you have is as good as what is offered by a Part D plan), you should enroll in a Part D plan, even if you do not currently take any prescription drugs. If you receive outpatient care, you will likely need prescribed medications.

## SPECIAL RULES TO KEEP IN MIND

1

You can enroll in Medicare Part B without buying Part A, but if you buy Part A, you also must enroll in Part B.

2

You can enroll in Part D if you have either Medicare Part A or Part B.

3

You cannot enroll in a Medicare Advantage plan or buy a Medigap supplemental insurance policy unless you're enrolled in both Parts A and B.