

AARP

Medicare When Working Beyond 65

Do you need to enroll in Part B if you have health insurance from an employer?

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Q. I am 65 and plan to keep working for some years. I have health insurance from my employer. Do I have to sign up for Medicare Part B now?

See also: [Medicare starter kit. What you most need to know.](#)

A. Probably not. In most cases, for as long as you have group health insurance provided by an employer for whom you are *still* working, you can delay enrolling in [Part B](#), which covers doctors visits and other outpatient services and requires a monthly premium. When you eventually retire, or leave work, you'll be entitled to a special enrollment period of eight months to sign up for Part B without incurring a late penalty.

This also applies to most people who are covered beyond age 65 by insurance from the employer of their working spouse. It also applies to same-sex married couples, even those living in states that do not recognize same-sex marriage—for details, see a related article [“Marital Status and Medicare Eligibility.”](#)

But, there are some exceptions:

- If the company or organization you or your spouse work for has fewer than 20 employees, the employer may require you to sign up for Part B when you turn 65. If so, Medicare would become your primary coverage (meaning it pays bills first) and the employer coverage would be secondary. In this case, you need to find out exactly how the employer plan will work with Medicare.
- If you are in an unmarried domestic partnership (same sex or opposite sex) **and receive health insurance under your partner's employer plan**, you don't have the same right to delay Part B without penalty, except in two circumstances:

- o You live in one of the few states that recognize common law marriage and your relationship falls within your state's definition of common law marriage
- o You are under 65 and have Medicare because of disability, your partner's employer has 100 or more employees, and you're accepted on the employer's health plan as a "family member."

Will I get the same health benefits at work as I get now?

By law, people who continue to work beyond age 65 still must be offered the same health insurance benefits (for themselves and their dependents) as younger people working for the same employer. So your employer cannot require you to take Medicare when you turn 65 or offer you a different kind of insurance — for example, by paying the premiums for Medicare supplemental insurance or a Medicare Advantage plan — as an inducement to enroll in Medicare and drop your employer plan. However, the law (known as ERISA) applies only to employers with 20 or more workers. So if you work for a smaller business or organization, you may be required to enroll in Part B at age 65.

Do I need to do anything about Part B at age 65 if I continue to be insured at work?

It depends on whether you're already receiving Social Security retirement benefits. If you are, Social Security will automatically enroll you in Part A and Part B just before your 65th birthday. The letter sent to you with your Medicare card explains your right to opt out of Part B if you have employer insurance. To opt out, follow the instructions included in that letter within the specified deadline.

Should I still sign up for Medicare Part A?

With one exception (see next item), there's no reason not to enroll in Part A, which mainly covers hospital stays, around the time you turn 65 because if you contributed enough Medicare payroll taxes while working there are no premiums for Part A. If you didn't contribute enough, you may qualify for premium-free Part A on the work record of your spouse (current, divorced or deceased). Otherwise, you have the option of paying monthly premiums for Part A benefits.

You can sign up for Part A during your initial Medicare enrollment period, which runs for seven months, starting three months before the month of your 65th birthday and ending three months after that month. Just call Social Security, which handles Medicare enrollment, at 1-800-772-1213 and schedule an appointment for an interview, which can be done on the phone or at your local Social Security office. This interview gives you the opportunity to make sure that an official enters into your record the fact that you have declined Part B because you have health insurance through the current employment of you or your spouse. You may be required to provide documents showing you have this coverage.

What if I have a health savings account at work?

You need to be careful if your employer insurance takes the form of a high-deductible plan with a health savings account. Under IRS rules, you cannot continue to contribute to an HSA if you are enrolled in Medicare (even Part A) or, after age 65, you are receiving Social Security retirement or disability benefits. You can draw on funds already in your account, but you cannot add to them. For details, see "[Can I Have a Health Savings Account as Well as Medicare?](#)"

You'll be able to sign up for Part A without risking a late penalty during the same special enrollment period when you enroll in Part B, after you finally stop working.

If you are married to somebody who has an HSA at work, and you are covered by that plan, it doesn't make any difference whether you are enrolled in Medicare or not — you can still use the HSA for your medical needs. The IRS rule applies only to the working employee who is contributing to the plan.

Will I need Part D prescription drug coverage?

Probably not. If your employer plan offers prescription drug coverage that is "creditable" — meaning that Medicare considers it at least of equal value to Part D coverage — you don't need to enroll in a Part D drug plan at age 65. Instead, when your employer coverage ceases, you'll be entitled to a two-month special enrollment period to sign up with a Part D plan without penalty. Your employer plan can tell you whether it's creditable or not. If it's not, you would need to enroll in Part D during your initial enrollment period at age 65 to avoid [late penalties](#) if and when you eventually signed up.

What if my employer offers me COBRA or retiree health benefits?

It's confusing, but different rules apply to Part B and Part D in either of these situations:

Part B: You can delay Part B enrollment without penalty *only* while you or your spouse is still actively working for the employer that provides your health insurance. But if you receive COBRA benefits — a temporary extension of your employer coverage that usually lasts 18 months — or retiree benefits, by definition you are no longer working for this employer. So if you wait until these benefits have expired before enrolling in Part B, you won't qualify for a special enrollment period. Instead, you'd likely pay late penalties, and you would be able to enroll only during the general enrollment period that runs from Jan. 1 to March 31 each year, with coverage not beginning until the following July 1.

Part D: As long as your COBRA or retiree drug coverage is creditable, you do not need to enroll in Part D until these benefits end, as explained above.