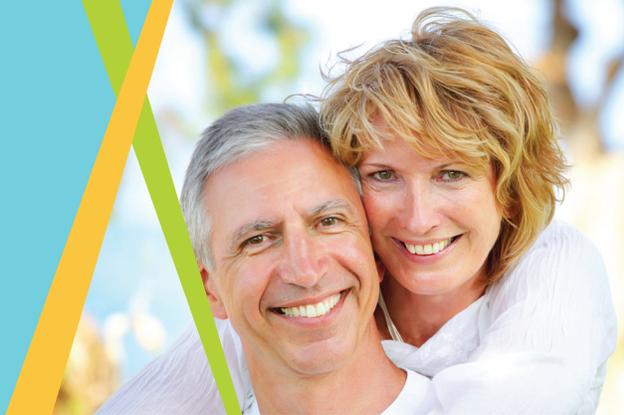


MEDICARE & YOU



If 65 is just around the corner, it's time to start thinking about Medicare! Here's what you need to know:

WHAT IS MEDICARE?

Medicare is a federal health insurance program that covers medical services and supplies in hospitals, doctors' offices and other health care settings. You qualify for Medicare if you are age 65 or older.* Medicare has four components:**

- Part A: Hospital Insurance
- Part B: Medical Insurance
- Part C: Medicare Advantage Plans
- Part D: Prescription Drug Coverage

HOW DO I ENROLL IN MEDICARE?

- If you are collecting Social Security benefits at least four months before turning 65, then you are automatically enrolled in Medicare Parts A and B.
- If you are within three months of turning 65 and not collecting Social Security benefits, you must enroll in Medicare one of three ways:
 1. Online: [socialsecurity.gov/retirement](https://www.socialsecurity.gov/retirement)
 2. Phone: 800-772-1213
 3. In person: your local Social Security office

WHEN CAN I ENROLL IN MEDICARE?

You have three opportunities to enroll in Medicare:

	Definition	When Coverage Begins
Initial Enrollment Period	7 months, starting three months before you turn 65 and ending three months after the month you turn 65	First of the month you turn 65***
General Enrollment Period	Jan. 1 - Mar. 31	July 1
Special Enrollment Period	8 months from the date employment or group health plan coverage ends	First of the month following month you enroll in Medicare

WHAT HAPPENS IF I AM WORKING AND HAVE COVERAGE THROUGH MY EMPLOYER OR SPOUSE?

In that case, you may delay enrolling in Medicare without paying a penalty. If you do enroll in Medicare while on your employer's or spouse's group health plan, your employer-based plan will generally pay first for any health care services you receive.

WHAT HAPPENS TO MY HSA WHEN I ENROLL IN MEDICARE?

If you have a health savings account (HSA), all contributions must stop once you enroll in Medicare. However, you may continue to use existing funds to help cover qualified out-of-pocket health care expenses, including premiums for Medicare Parts A, B, C and D.

If your spouse is covered as a dependent under your group health plan and he/she enrolls in Medicare, you may continue to contribute to your HSA, as long as you are not enrolled in Medicare. Note: If you enroll in Medicare midyear, all HSA contributions will be prorated up to the annual IRS maximum.

WHERE SHOULD I GO WITH QUESTIONS?

For detailed information on Medicare and its many components, visit www.medicare.gov. To find a Social Security office near you, go to www.ssa.gov/locator. To sign up for and explore your Parts C and D options, log on to www.medicare.gov, hover your mouse over "Sign Up/Change Plans" and click on "Find health & drug plans."

*Or are under age 65 with certain disabilities or have end-stage renal disease.

**Medicare Supplement Plans (Medigap) provided by private health insurance are also available.

***Unless your birthday is the first of the month, in which case coverage starts the first of the month before you turn 65.

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How It Works

Let's see how enrolling in Medicare might work in practice.

MEET LIZ

64. Married. Birthday is May 15.

Liz has a group health plan with an HSA through her employer. Here is when her Medicare coverage would start, depending on when she chooses to enroll:

If she enrolls...	Coverage begins...
Initial Enrollment Period	
Between February and August	May 1*
General Enrollment Period	
Between January and March of the following year	July 31
Special Enrollment Period	
Within 8 months following her loss of coverage through her employer or termination of employment	The first of the month following the month she enrolls in coverage (e.g., if she enrolls May 15, coverage begins June 1)

Once Liz enrolls in Medicare, all contributions to her HSA (including her contributions and her employer's contributions) end. Her HSA contributions are prorated for the year and she is able to use her existing funds to pay for qualified health care expenses now and when she retires.

Although Liz may no longer contribute or receive contributions to her HSA, she may continue to receive coverage through her group health plan—in addition to Medicare—as long as she remains enrolled in the plan. Her group health plan pays first for covered health care services she receives.** Medicare then pays for the remaining balance up to the Medicare-approved amount. Liz pays for any costs her plan and Medicare do not cover.

*Coverage may be delayed if Liz enrolls between May and August, but is generally retroactive and considered effective May 1.

**Assuming her employer has 20 or more employees.

Please note: This communication is intended to provide you with highlights of Medicare. It is not intended to address all details, nor is it meant as legal or tax advice. Please consult your legal or tax advisors regarding the treatment of your HSA. Refer to www.medicare.gov for more information.