



Signing up for MEDICARE

Watch out for pitfalls along the way!

*Medicare is available before age 65 to those collecting Social Security Disability Insurance (SSDI) or diagnosed with end-stage renal disease.

How To Win

Stay on the Medicare path and successfully collect the benefits that are right for you. But watch out for pitfalls along the way!

1. Setting Up

It all begins with signing up for Medicare Part A (hospital insurance) and Part B (medical insurance).

If you already receive Social Security benefits or Railroad Retirement Board benefits, you may be automatically enrolled and receive your card in the mail before your 65th birthday. Otherwise, you need to enroll in Medicare yourself.

2. Getting Started

You need to enroll in Medicare and make Medicare decisions during your Initial Enrollment Period (IEP).

IEP is a 7-month period. It begins 3 months before the month you turn 65, includes your birthday month, and lasts 3 months after your birthday month. If your birthday is on the first of the month, your IEP works as if your birthday occurred in the previous month.

START

3. Picking Your Plan

Unless it benefits you to defer Medicare coverage because you have qualifying health insurance, it's time to pick your plan.

Original Medicare Part A and Part B

If you choose Original Medicare Parts A and B, most people usually don't pay a monthly premium for Part A coverage. You will pay a hospital deductible and copayments per each benefit period. For Part B expect to pay a monthly premium, an annual deductible, and 20% of all fees. There's no limit on yearly out-of-pocket costs. **Medigap insurance can help.**

Prescription Drug Coverage Part D

If you add prescription drug coverage Part D to Original Medicare, you pay another premium.

Medicare Advantage Part C

If you choose Medicare Advantage Part C, you receive Part A, Part B, and, in most cases, Part D. With Medicare Advantage, you may pay a monthly premium and copayments. Each year, you have a deductible to meet. But unlike Original Medicare, Medicare Advantage has a limit called the annual out-of-pocket maximum. **It's a convenient choice for many.**

Changing Strategies

If your needs change over time, Medicare gives you options.

During the Annual Enrollment Period — between October 15 and December 7 — you can join, switch, or leave your Medicare health or drug coverage.

If you're in a Medicare Advantage Plan, you can change once to a different Medicare Advantage Plan or switch to Original Medicare during the MA Open Enrollment Period between January 1 and March 31.

Penalties

If you don't sign up for Medicare Parts A, B, or D during your IEP, you will often be required to pay a penalty.

Part A Late Enrollment Penalty

If you have to pay a Part A premium and delay signing up, you will be charged a penalty. If you worked at least 10 years while paying Medicare taxes, you won't need to pay a Part A premium. You also won't be charged a penalty if you delay—although there's no benefit to waiting.

Part B Late Enrollment Penalty

You can delay Part B enrollment without a penalty if you have qualifying coverage from another source, like from an employer with more than 20 employees. Otherwise, you will pay a penalty.

Part D Late Enrollment Penalty

Although optional, there will often be a penalty if you do not sign up during your IEP and sign up later.

Getting Help With the Rules

At any point along the way, licensed insurance agents are here to help you make smart choices.