



Still Working at 65— Do You Need Medicare Yet?

Your No-Panic Medicare Quick Guide

If your employer has 20+ employees and the health plan is “creditable,” you can delay Medicare Parts B & D with no penalty. Work for a company under 20? Enroll in Part B (and usually Part D) at 65 to avoid lifelong surcharges.



Translation: One head-count number decides whether you can keep your work plan or must pivot to Medicare—get it wrong and the penalties never end.

Why Does This Matter If You're Still Working?

- **Penalties last forever.** Part B adds +10% per 12-month delay; Part D adds +1% per month without creditable drug coverage.
- **HSA's stop the clock.** Enrolling in any part of Medicare ends tax-free HSA contributions.
- **Special Enrollment Periods (SEP) are short.** Miss the eight-month clock after leaving the job and you're locked out until the next General Enrollment Period.

What Is the 20-Employee Rule?

Employer Size	Who Pays First	What You Should Do
20+ employees	Employer plan	Delay Parts B & D; verify creditable status each year.
Under 20 employees	Medicare	Enroll in Part B (and drug coverage) at 65 to dodge penalties.



Creditable Coverage = Benefits and cost-sharing at least as good as Medicare's.

Ask HR for a written statement confirming both medical and drug coverage qualify.

How Does Medicare Affect Your HSA?

Timeline	HSA Rule	Example
6 mo before enrollment	Stop contributions—Part A can retro-activate 6 months.	Lisa pauses HSA at 64½ , enrolls in Part A on last workday, avoids IRS penalty.

What Are the Lifetime Penalties?

Part	Penalty Formula	Duration
Part B	+10% of standard premium for every 12-month delay without creditable coverage	Forever
Part D	+1% of national base premium per uncovered month (after 63-day grace period)	Forever

How Long Is Your Special Enrollment Period?

Event	Part B Window	Part D / MA Window
Loss of employer coverage	8 months	2 months



Mark those dates **before** you schedule the retirement party.

Are COBRA or Retiree Plans Enough?

Option	Creditable for Part B?	Reality Check
COBRA	X	Medicare becomes primary the minute you're eligible; penalties pile up fast.
Retiree Plan	Usually X	Pays after Medicare—skip Part B and you foot the bill.

What About Family Coverage?

Medicare covers **only you**. If dependents rely on your work plan, explore:

- COBRA (pricey, temporary)
- Spouse's employer plan
- ACA Marketplace (possible subsidies)



Start the search early to avoid coverage gaps.

Key Timeline at a Glance

Age / Event	Action
64½	Pause HSA if planning to enroll in 6 months.
65th birthday	Enroll in Part A (if HSA paused) and confirm creditable status for Parts B & D.
Working (20+ employees)	Re-confirm creditable coverage for each open enrollment.
Retirement / Loss of coverage	Use your SEP: enroll in Part B within 8 months and Part D within 2 months.

HR Conversation Checklist

Take this list to your benefits team:

✓ Is our medical plan creditable for Medicare Part B?	Yes / No
✓ Is our prescription coverage creditable for Part D?	Yes / No
✓ If I keep working, will the plan remain primary once I turn 65?	Yes / No
✓ Do you offer documentation stating our plan's creditable status?	Yes / No
✓ How does our plan coordinate with Medicare when I retire?	Notes:
✓ What happens to my dependents if I leave the plan?	Notes:

FAQ

- **Can I delay Medicare if my employer has 20 employees?**
Yes. With 20 or more employees and creditable coverage, you may postpone Parts B and D without penalty.
- **Does enrolling in Part A stop HSA contributions?**
Yes. Once you enroll in any part of Medicare, you can't contribute to an HSA, and Part A can retroactively cover up to six months.
- **Is COBRA considered creditable coverage for Medicare?**
No. Once you're eligible for Medicare, COBRA is secondary. You must enroll in Part B to avoid penalties.

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- Confirm employer size & creditable status
- Flag HSA shutdown date
- Set SEP countdown reminders

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Remember: Confirm employer size and creditable coverage. Pause HSA six months before Medicare starts. Use the eight-month Part B and two-month Part D SEP after leaving work. Missing these deadlines triggers lifetime penalties.



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