

Nina Krammer ([00:13](#)):

Hey, Marianne, today we are going to talk about what happens when someone turns 65 years old in the United States.

Marianne Steger ([00:22](#)):

Yeah, Nina, I know a lot about this because as you may recall, last September I turned 65 and I gotta tell you, I have never been more popular in my life.

Nina Krammer ([00:33](#)):

Yeah. I hear people get a ton of mail around their 65th birthdays from a number of insurance companies and brokers.

Marianne Steger ([00:39](#)):

Yeah, that's true. I mean, look at this stack I'm holding, Nina. You see it, it's like it's close to three inches of what I've gotten in the mail, for the last six months before I turn 65. And since I'm still getting things in the mail, all of them suggesting that I should enroll in one type of Medicare health insurance or another. And you know, Nina, it's not as simple as some people think. And sadly, there's not a lot of education, about what to do when you do turn, Medicare eligible.

Nina Krammer ([1:08](#)):

I know many people believe that when they turn 65, they just enroll in Medicare. But since working here at Via Benefits, I've learned that that's not an absolute. Can you walk our listeners through what they need to know when they turn 65?

Marianne Steger ([1:24](#)):

Yes, absolutely. So first of all, if you are still working for an employer who has more than 20 employees, even if you were to sign up for Medicare Part A, your employer's healthcare will be primary and Medicare would only come into play if there is a benefit that maybe your employer's healthcare doesn't cover. But Medicare does, and honestly, that does not happen very often. Also, if you are retired, but perhaps you're on your spouse's employer sponsored healthcare, and that employer also has more than 20 employees, then again, that employer sponsored healthcare will be primary. And in both of these cases, there's really no need to sign up for Medicare Part A or Part B.

Nina Krammer ([02:08](#)):

Marianne, A lot of people are advised to enroll in Medicare Part A as soon as they turn 65 because it's free with no premium. But that's not always the best advice, is it? Can you explain to our listeners why?

Marianne Steger ([02:21](#)):

Yeah, it's not that simple. Um, so let's say you're still working and your employer provides you with a high deductible health insurance plan, which has a health savings account. You know, this is an account where you and your employer can, uh, put money in to pay for your out-of-pocket, medical expenses. In that situation, if you have an HSA, you should not sign up for Medicare Part A if you are still contributing to that HSA. And the reason for that is because once you are enrolled in any part of Medicare or Social Security for that matter, you are prohibited from contributing to a health savings account and so is your employer. So for example, you know, I have an HSA currently here at Via Benefits, and if I had signed up

for Medicare Part A when I turned 65, um, and continue to contribute to that, uh, I would have to withdraw the HSA dollars that I contributed. Uh, and then I'd have to pay taxes on it because you cannot contribute if you are enrolled in any part of Medicare.

Nina Krammer ([03:26](#)):

Well, that makes total sense because I also have an HSA and I love knowing that I'm saving not only for my current medical expenses, but I'm also using it as a way to save money for my retirement healthcare expenses. Which begs the question, once you're on Medicare and you're no longer in an employer sponsored plan, can you use the dollars that you put in your employer-sponsored HSA?

Marianne Steger ([03:50](#)):

Oh, yes, absolutely. Nina. You can use the dollars when you're enrolled in Medicare. You can even leave them to a spouse, should you pass, you just can no longer contribute to an HSA, while you're enrolled in any part of, Medicare and Social Security. And, and let me tell you why I, I say Social Security because I know a friend of mine who his spouse, enrolled in social security early at age 62. My friend was still working and had employer healthcare with a high deductible in HSA, which covered him and his spouse. Well, once it was discovered that the spouse was enrolled in Social Security, my friend could no longer make contributions to it. So people really have to be careful about these things. And honestly, if you're confused, simply call Social Security. They have a lot of really good people who answer the phone and, and will answer these complex questions.

Nina Krammer ([04:44](#)):

Marianne, you keep saying that the employer would be the primary provider of health insurance, right? So long as they had 20 employees or more. What is that about? Let's unpack that a little bit.

Marianne Steger ([04:55](#)):

Sure. So, in 1980, Congress passed the Medicare secondary payer rules, which made Medicare secondary to any employer sponsored healthcare for individuals who are still working and are older than 65. They did this to make sure employers would continue to provide employer sponsored healthcare coverage to their employees who were older than 65. And you know, Nina, I have discovered a lot of employers don't know this and, and there can be serious fines and penalties if they encourage their employees who are 65 or older to drop the employer's healthcare and switch to Medicare. There is one exception, however, and that is if you are a small employer and have less than 20 employees, you can encourage those employees to leave the employer's group plan and enroll in Individual Medicare plans. In fact, I know someone who is an accountant at a small firm with 10 employees, and when he turned 65, they said, Hey, we're gonna give you some money every month to cover your premium and go pick an Individual Medicare plan. And you know, it saved money for the employer and for the employee.

Nina Krammer ([06:05](#)):

And that's really great to hear and something you don't always hear either. So let's talk about Part B as a reminder to our listeners. Medicare Part A covers hospital insurance and part B covers outpatient doctors, lab work and x-rays and preventative procedures. So I know that a person who's still working and does not have an HSA will sign up for Medicare Part A, but should they also sign up for Medicare Part B?

Marianne Steger ([06:33](#)):

Yeah, and you're right Nina, a lot of people say, Hey, I'm 65, I'm still working. I don't have an HSA. I'm gonna check the box. Just go ahead and enroll in part A. But there's no reason for them to also enroll in Medicare Part B because part B has a premium. So you're gonna suddenly pay for your Medicare Part B coverage, your outpatient coverage, and you're paying for your employer-sponsored healthcare. So you don't need to have that double coverage. So most people, if they do go ahead at 65 and enroll in A, they delay enrollment to B until they are, uh, retired and then they just have proof of, of coverage that they've had during that time, and they can enroll with no penalties, into Part B. You know, another situation, I actually knew a woman who was retired, so she was paying for part A and part B and she went back to work and she had employer-sponsored healthcare. So she simply called Social Security and said, look, I wanna drop my part B, I have it covered by my employer. And Social Security, allowed her to do that. So sometimes you've gotta talk to somebody higher up in Social Security to make that happen, but you can, you can come out of it and then reenter later on.

Nina Krammer ([07:42](#)):

Oh, that's great to know. So Marianne, I may be dropping some breaking news here on the podcast, but rumor has it that you're retiring this spring. What are you going to do now that you're retiring for your healthcare?

Marianne Steger ([07:58](#)):

Well, the first thing I did was I stopped my HSA contribution six months before my retirement date because, you know, Medicare has something called a lookback period. It's interesting, but they look back and if six months before you, enroll in Medicare, you contributed to an HSA, they will say, no, no, you can't do that, and they're gonna tell you to take that money out and pay taxes on it. So I, I stopped contributing and my employer of course stopped contributing to.

Nina Krammer ([08:28](#)):

I did not know that that is news to me. This Medicare stuff sure can get complicated. Thank you for breaking that down for me and our listeners. So if you don't mind sharing with our listeners, what will you opt for when you retire?

Marianne Steger ([08:42](#)):

Yeah, so, okay, I stopped my contributions and when I retire, I will enroll in part A and part B, with an effective date starting on the first day of the month that I'm no longer covered by my Via Benefits, sponsored healthcare. And of course, I will use Via Benefits to select the medical and drug plans that I would like to be enrolled in. So it's important that you do enroll in these plans before your actual retirement effective date. And what a lot of people do is they retire at the beginning of a month. So they could have employer sponsored healthcare through the end of that month, if that's in fact how their, employers, healthcare actually does work.

Nina Krammer ([09:25](#)):

So Marianne, don't you have seven months when you turn 65 to enroll in Medicare the three months before your birthday, the month of your birthday, and then the three months after your birthday, won't you be outside that window when you do retire? Do you have guaranteed issue?

Marianne Steger ([09:40](#)):

Oh, yes, I, I certainly do and, and I will not use the window that you described, which is true and accurate. But what I will use is called a special enrollment period that is granted to people who retire, after they have turned 65. And in that case, you have up to eight months to enroll after your employer healthcare ends. If you miss that eight months period, you would have to wait until the annual Medicare open enrollment period-which is in the fall.

Nina Krammer ([10:08](#)):

Okay. So I'm curious, how exactly are you going to actually enroll in Medicare?

Marianne Steger ([10:14](#)):

Well, I have options. I can call them enroll over the phone. I can now do it online or I could contact my social security office. Um, uh, if I, I need help with that and even go in and do it in person knowing me, I'll probably go online and if it seems simple enough, I'll stay there. Otherwise, I'll call and enroll over the phone.

Nina Krammer ([10:33](#)):

And you've said that you're going to use Via Benefits when the time comes to help you pick a plan. How will you do that?

Marianne Steger ([10:39](#)):

Well, Nina, you know, I'm pretty familiar with our website. So I'll probably just go onto the website and enroll, online. I'll, I'll have to make sure I have my Medicare card that has my effective dates available. And of course, I'll want to have a list of my prescription drugs so I can make sure I pick the best drug plan for the type of drugs that I take. And if I'm not certain I've done it right, I'll, I'll simply call one of our benefit advisors. They're always so helpful.

Nina Krammer ([11:03](#)):

So when you start to pick a plan, will you be looking through that four inch stack of mail you've been collecting to help you in any sort of way?

Marianne Steger ([11:10](#)):

Well, you know me, Nina, I can't help but look at it because I wanna see what other people are saying about Medicare. And honestly, some of it can be a little misleading. And obviously I'm very fortunate, I know it's thing or two about health insurance, so I'll be picking the plan that works best for me given the fact that I intend to travel and I'm not a big fan of having networks. So I'll likely pick a Medigap plan and I'll pick the one that has the best price for me. Since these plans are consistent across all carriers and across all states, it's just a matter of deciding which plan I want and then go to the carrier that has the best price on the drug side. That choice really becomes so simple. Once you input the prescription drugs that you take into the Via Benefit software system or any place you, you use an online service, it will tell you which plan, saves you the most money over the course of the year. And of course, Nina, I will be checking every year, to make sure that the drug plan I have this year is gonna work just as well for me next year. And if not, I can always change that.

Nina Krammer ([12:11](#)):

Turning 65 is a lot more complicated than blowing out 65 birthday candles, isn't it?

Marianne Steger ([12:17](#)):

Oh, it sure is.

Nina Krammer ([12:18](#)):

<laugh>, I think you gave our listeners a lot of really good information on what to do when they turn 65. Thanks everybody for listening, and until next time, this is Nina Kramer and Marianne Steger for Via Benefits.