

## *Turning 65 and Medicare Enrollment*



## **What to expect and how to choose Medicare coverage**

Getting assistance through the *Allsup Medicare Advisor*® plan selection service





## What to Expect When Turning 65

Are you about to become eligible for Medicare? Shifting from employer-sponsored healthcare to Medicare can be overwhelming because it means transitioning from a simple annual selection to numerous options.

As part of the *Allsup Medicare Advisor*<sup>®</sup> plan selection service, Allsup helps new enrollees assess their particular health and financial needs and research their Medicare options. The service is offered by Allsup Inc.

## Frequently Asked Questions

### **When can I enroll in Medicare?**

Most people become eligible for Medicare when they turn 65. If you're already collecting Social Security retirement benefits, you should be enrolled in Medicare automatically. If you're not, you'll need to sign up to get Medicare. You'll have seven months to enroll: three months before, the month of and three months after your 65th birthday.

### **What are my Medicare options and the costs?**

- Part A, which covers hospital care, is **free** to most people who paid FICA taxes while working.
- Part B, which covers outpatient services and doctor visits, charges an income-based monthly premium. Most new Medicare enrollees can expect to pay a monthly premium of \$104.90 in 2014. However,

if your modified adjusted gross income as reported on your IRS tax return from two years ago is above a certain amount, you may pay more. (See chart below.)

## Income-Related Monthly Adjustment Amount (IRMAA)

If you filed your taxes as: <b>Single, Head of Household, or</b> <b>• Qualifying widow(er) with dependent child, or</b> <b>• Married filing separately</b> (didn't live with spouse in tax year)		
<b>And your Modified Adjusted Growth Income(MAGI) was:</b>	<b>Your Part B monthly adjustment is:</b>	<b>Your Part D coverage monthly adjustment is:</b>
\$85,000 - \$107,000	\$42.00	\$12.10
\$107,001 - \$160,000	\$104.90	\$31.10
\$160,001 - \$214,000	\$167.80	\$50.20
More than \$214,000	\$230.80	\$69.30

If you filed your taxes as: <b>Married, filing jointly</b>		
<b>And your Modified Adjusted Growth Income(MAGI) was:</b>	<b>Your Part B monthly adjustment is:</b>	<b>Your Part D coverage monthly adjustment is:</b>
\$170,000 - \$214,000	\$42.00	\$12.10
\$214,001 - \$320,000	\$104.90	\$31.10
\$320,001 - \$428,000	\$167.80	\$50.20
More than \$428,000	\$230.80	\$69.30

If you filed your taxes as: <b>Married, filing separately</b>		
<b>And your Modified Adjusted Growth Income(MAGI) was:</b>	<b>Your Part B monthly adjustment is:</b>	<b>Your Part D coverage monthly adjustment is:</b>
\$85,000 - \$129,000	\$167.80	\$50.20
More than \$129,000	\$230.80	\$69.30

- Part C, or Medicare Advantage, combines the benefits of Medicare Parts A and B. Medicare Advantage plans often provide additional benefits, including prescription drug coverage as well as dental or vision care. Depending on where someone lives, there are dozens of different plans with varying levels of services and costs.
- Part D covers prescription drug costs. Part D plans are provided by private health insurers, which offer dozens of plans and prices.



- **Medigap:** Because out-of-pocket costs can be high with original Medicare (Parts A and B), many people also enroll in Medigap supplemental coverage to help minimize these costs. There are several different plans and price levels from which to choose.

### **Do I have to enroll in Medicare even if I already have other healthcare coverage?**

If you're covered under a group health plan based on current employment, you have a special enrollment period to sign up for Part A and/or Part B any time as long as you or your spouse is working, and you're covered by a group health plan through the employer or union based on that work.

You also have an 8-month special enrollment period to sign up for Part A and/or Part B that starts the month after the employment ends or the group health plan insurance based on current employment ends, whichever happens first. Usually, you don't pay a late enrollment penalty if you sign up during a special enrollment period.

If you have COBRA or a retiree health plan, they are not considered coverage based on current employment. You would not be eligible for a special enrollment period when that coverage ends.

It's important to check with your plan administrator to determine how the plan coordinates with Medicare. Typically, Medicare becomes primary payer for small employers and secondary payer for larger employers.

## **What happens to coverage for my spouse and dependents if I enroll in Medicare?**

If your employer plan provides coverage for your spouse and dependents and you leave the plan to enroll in Medicare, this could leave your family without coverage. Your employer may continue to provide coverage to your family or you may need to purchase COBRA coverage or private coverage. It's important to check with your plan administrator and address this before you leave your employer plan for Medicare to ensure your family is not left without healthcare coverage.

## **Are their penalties for not enrolling in Medicare?**

If you do not have creditable coverage, you may need to pay a late-enrollment penalty of 10 percent for each full 12-month period that you could have been enrolled in Part B. For example, delaying enrollment five years would result in a 50 percent penalty (10 percent x 5 years), meaning your monthly premium would be 50 percent higher than had you enrolled in Medicare Part B when first eligible. The penalty applies for as long as you have Medicare.

Likewise, Medicare Part D imposes a penalty if you go for more than 63 days without coverage after enrolling in Part B. It also requires that coverage be as good as or better than the standard set by Medicare. The penalty is determined by adding up the number of months the person did not have coverage after becoming eligible and multiplying this number by 1 percent of the national average premium cost.

For example, the average monthly premium for 2014 is \$32.42. Therefore, if you were eligible for five months of coverage during 2014 but had not enrolled, a \$1.62 monthly penalty would be added to your premium (\$32.42 monthly average premium x 1 percent x 5 months). As premiums increase, the penalty will increase for as long as you have Medicare Part D coverage.

### **Is there a penalty for not enrolling in Medigap?**

No, there is no penalty if you don't enroll.

However, Medigap providers are only required to guarantee people aging into Medicare the right to coverage—regardless of pre-existing conditions—during the first six months after they enroll in Medicare Part B. After that, they can charge higher rates or deny coverage.

### **When can I make Medicare changes?**

You can make changes to your coverage during annual enrollment, which lasts Oct. 15 - Dec. 7. But, if your plan is discontinued or other circumstances change, such as moving, you may be eligible for a special enrollment period. If you want to change your Medigap coverage, you will need to work with your Medigap carrier to find out when and if you can adjust your coverage.

### **How can *Allsup Medicare Advisor* help me?**

The *Allsup Medicare Advisor* plan selection service makes Medicare simple to help you easily and confidently choose the coverage that's right for your specific healthcare needs. The service provides a detailed, comparative analysis of costs including premiums, deductibles, co-pays and coverage limits.

*Allsup Medicare Advisor* offers a number of service options, each at a flat fee:

- *Allsup Medicare Advisor Complete* provides research, analysis and comparison of coverage options and plan types including Medicare Advantage plans with prescription drug coverage, Medigap supplement plans and Part D prescription drug plans, which can be paired with Original Medicare or Medigap.
- *Allsup Medicare Advisor Medicare Advantage* provides research and analysis of Medicare Advantage plans that include drug coverage.
- *Allsup Medicare Advisor Part D* offers stand-alone research, analysis and comparison of Part D prescription drug plans and the “donut hole” coverage gap.



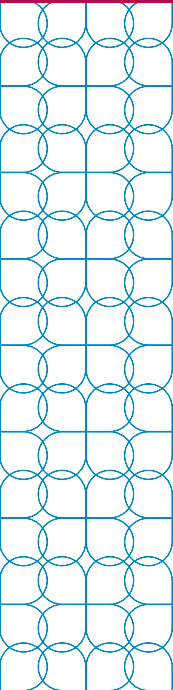
- Allsup Medicare Advisor Medigap Plus provides in-depth research and valuable information for supplement plans including individual premiums.
- Allsup Medicare Advisor Medigap Plus and Part D provides research and valuable information for supplement plans, including individual premium amounts, as well as Part D prescription drug plans.

With *Allsup Medicare Advisor*, you'll receive:

- Assistance from a Medicare specialist who can answer your questions.
- Information on the plans most likely to provide the coverage you need.
- Help understanding your Medicare plan options and how they can benefit you.
- An easy-to-understand customized report to evaluate plan options.
- Enrollment assistance depending on the plan you select.

## About Allsup

Allsup is a nationwide provider of Social Security disability, veterans disability appeal and Medicare services for individuals, employers and insurance carriers. Allsup professionals deliver specialized services supporting people with disabilities and seniors so they may lead lives that are as financially secure and as healthy as possible. Founded in 1984, the company is based in Belleville, Illinois, near St. Louis.



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