



## Medical Benefits – Working Past Age 65

Some associates choose to continue working full time after age 65 – the age at which Medicare typically goes into effect. This section reviews the medical coverage considerations for older workers.

### Continuing to work past age 65

Eligibility for Medicare, the federal health care program for retirees, begins at age 65. If you plan to continue working full time at Edward Jones after age 65, you have three options for health care coverage:

1. **Enroll in Medicare** and stop participating in the Edward Jones medical plan.
2. **Delay receiving Social Security income**, which will also delay your enrollment in Medicare. Continue participating in the Edward Jones medical plan and making contributions to your Health Savings Account.\*
3. **Begin receiving Social Security income** (which will automatically enroll you in Part A of Medicare) AND keep your Edward Jones medical coverage. You'll no longer be able to contribute to your HSA. Your Edward Jones plan will be primary, and Medicare will be secondary while you're still working.

*\*Note: To take this option, you cannot enroll in Social Security or Medicare, including the free Part A coverage (hospitalization) that you automatically receive once you begin drawing Social Security benefits. Contact the Social Security Administration and/or consult with a trusted advisor for information about whether this option makes sense for you.*

**If you plan to begin Medicare at age 65,  
you'll want to start the process three or four months before your 65<sup>th</sup> birthday.  
To enroll by phone, call 800-772-1213, or enroll online.**

### If you don't enroll in Medicare before retirement

At retirement, you, your spouse and your enrolled dependent children may elect COBRA coverage for a maximum of 18 months. COBRA will end when the covered person becomes enrolled in Medicare or another group plan. Because Medicare automatically becomes primary coverage for you once you stop working, you may not want to elect COBRA coverage for yourself. But you may want to consider it for your spouse and enrolled children.

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## Medicare

Medicare is the federal government's health insurance program for people over age 65 and eligible disabled people under 65. Here's some general information about Medicare. For details, contact Medicare directly.

If you anticipate retiring before age 65, check this section of [edwardjonesbenefits.com](https://www.edwardjonesbenefits.com) for **"Medical Benefits Before Age 65."**

### Medicare has four parts that apply to retirees:

<b>Part A</b>	<ul style="list-style-type: none"><li>• Hospital Insurance</li><li>• Most people age 65 or older are eligible for free Medicare hospital insurance.</li></ul>
<b>Part B</b>	<ul style="list-style-type: none"><li>• Medical Insurance</li><li>• Most individuals age 65 or older are eligible to enroll in Medicare's medical insurance for a monthly premium.</li></ul>
<b>Part C</b>	<ul style="list-style-type: none"><li>• Medicare Advantage</li><li>• Any individual eligible for part A and part B of Medicare can enroll in Medicare Advantage.</li><li>• These plans generally cover many of the same benefits that a Medigap policy covers.</li><li>• Service providers generally charge a monthly premium.</li><li>• May also include prescription drug coverage.</li></ul>
<b>Part D</b>	<ul style="list-style-type: none"><li>• Prescription drug coverage</li><li>• Any individual who has part A or part B or part C is eligible for prescription drug coverage.</li><li>• Part D includes a monthly premium.</li></ul>

Part A is provided to those who are eligible for Social Security Retirement benefits. It generally doesn't require a premium.

You can purchase parts B and D for a monthly premium.

Most people who enroll in Part A coverage also enroll in and pay the premium for Part B, and purchase a Medigap policy as discussed below. The standard premium is based on your modified gross income. Part D also requires a monthly premium. Part C, Medicare Advantage plans, discussed below, are HMO/PPO managed care plans that may also include prescription drug coverage or provide other enhancements over Original Medicare.

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In the Original Medicare model, you have your choice of doctors, but you may pay more than you would under a Medicare Advantage plan. And, it would be advisable to also purchase a Medigap (Medicare Supplemental) plan to fill the coverage gaps not covered by Original Medicare.

## **Medicare Advantage**

Medicare Advantage combines Part A and B and may include Part D. Medicare Advantage plans are provided by Health Maintenance Organizations and Preferred Provider Organizations approved by Medicare. Generally, they require you to see doctors approved by the Advantage plan. Your costs may be lower than they would be under the Original Medicare plan, and coverage may be higher.

## **Considerations if you work past age 65**

You may continue coverage under the Edward Jones group medical plan if you continue working for Edward Jones full time past age 65. If you're covered under *any* part of Medicare (even Part A, which generally doesn't require a premium), the IRS prohibits you from making contributions to a Health Savings Account (HSA). If you intend to work past age 65, remain enrolled in the Edward Jones group medical plan and want to contribute to an HSA, you should not enroll in Social Security or Medicare until you retire.

There's a "special enrollment" period for Part B if you postponed enrolling when you turned 65 because you had other coverage while working (such as group coverage through the Edward Jones medical plan). You can sign up for Part B any time while you're covered under the other coverage, or within the eight-month period following the date your other coverage ends or when your employment ends, if earlier. If you apply for Part B during this special enrollment period, you may not have to pay a higher Part B premium. If you don't enroll in Part B during the special enrollment period, you'll have to wait until the next General Enrollment period, which is January 1 through March 31 of each year, with coverage effective on the following July 1. You may then have to pay a higher Part B premium, because you could have had Part B and did not take it. Typically, the penalty is 10 percent for each year past your initial Medicare eligibility date. Similar rules apply to Part D coverage.

## **Coordination of Benefits**

You should be aware of how Coordination of Benefits operates if you work past age 65 and are covered by both Medicare and the Edward Jones medical plan. If you elect Medicare coverage in addition to your Edward Jones plan, Medicare will always be secondary coverage as long as you work. Once you retire, Medicare becomes primary. The Edward Jones COBRA plan (should you enroll) would be secondary, so it may not be cost effective to enroll in COBRA for very long, if at all.

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## Medigap Plans

Many people buy a supplemental medical plan (commonly referred to as Medigap) to help cover most expenses that Original Medicare doesn't pay. Don't delay enrolling in a Medigap policy. When you first enroll in Medicare Part B at age 65 or older, you have a six-month Medigap open enrollment period. During that time your health status cannot be used as a reason to either refuse you a policy or to charge you more than other open enrollment applicants.

However, the insurer may require a six-month waiting period before covering any pre-existing conditions. If you work past age 65, you should apply for a Medigap plan when your Edward Jones health plan coverage ends. Medigap plans are not available for use with Medicare Advantage plans.

Most states offer 12 standard Medigap plans with different levels of supplemental coverage. The premiums charged for Medigap plans vary from one company to another and from one state to another.