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The ins and outs of active employment and Medicare enrollment [1]



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Health coverage is one of the most serious considerations in planning for retirement, and people near retirement age in the U.S. have likely begun receiving enrollment flyers for Medicare. Many people know there are penalties for failing to enroll in Medicare at age 65, but many don't know this requirement can be delayed if they're currently covered by a qualifying employer health plan – any plan with equal or better coverage to Medicare.

All CU Health Plans qualify for a Medicare exemption

Employees already covered by any CU Health Plan don't need to enroll in Medicare when they become eligible or during Medicare's Open Enrollment.

CU employees and their dependents covered by any CU Health Plan can choose to opt out of Medicare enrollment until they are no longer covered or elect to decline their CU coverage.

Unfortunately, this decision is further complicated by choosing to draw Social Security benefits. Anyone who begins drawing Social Security will be automatically enrolled in Medicare Parts A and B as soon as they reach the age of eligibility with the option to delay only Part B.

Social Security forces Medicare enrollment

An employee who elects to begin receiving Social Security benefits will be automatically enrolled in Medicare Parts A and B as soon as they become eligible (typically age 65). They can only delay enrollment in Medicare Part B.

There's another critical consideration for any employee who maintains a Health Savings Account (HSA) – employees must stop making HSA contributions as soon as they are enrolled in Medicare or face tax penalties. To complicate this matter, enrollment in Medicare Part A coverage is retroactive up to six months before the date you applied, but no earlier than the first of the month in which a person becomes eligible.

Altogether, the decision to enroll in a Medicare plan – or to begin drawing Social Security benefits – is more complex than it appears. Understanding how Medicare interacts with your current employee benefits is key. To address these essential considerations, Employee Services has developed an information page for active employees [3] who are nearing Medicare eligibility which includes a step-by-step PDF guide [4] and a brief online course [5].

Employees with additional questions about their CU health plans can reach out to Employee Services at 303-860-4200, option 3.

CU Health Plans [6], retirement [7], HSA [8]

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