



## Navigating Medicare decisions in tricky situations

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### **RETIREMENT & LONGEVITY**

*What encore careers, young dependents and early retirement mean for your elections.*

Medicare is an important component of holistic financial planning, but it can get complex for investors who retire early, care for young dependents or work beyond 65. But knowledge is power. Being aware that your unique situation should influence your Medicare choices is half the battle.

### **Tips for common scenarios**

Not everyone retires right at 65. In fact, it's becoming more common that people are making their own rules and timelines when it comes to retirement.

If you're planning to retire before age 65, think about how you plan to bridge your healthcare coverage until you become eligible for Medicare. Medicare is designed for those 65 and older or people with certain disabilities. The only way to ensure healthcare coverage before that date is with private health insurance through your employer or the exchange.

What if you decide you're working past the age of 65 (the Medicare eligibility point), and you're not sure if you should enroll in Medicare yet? You can drop your employer's healthcare plan and enroll in Medicare, but first you should consider the out-of-pocket costs associated with doctor's visits and procedures. Many people will enroll in Medicare Part A, which is hospital insurance, because there's no premium for most people, as long as they have 10 years of Medicare-covered employment. But to enroll in Part B and simultaneously carry group health insurance is like paying double.

What if you're married and cover your spouse on your employer's plan? Medicare is individual healthcare coverage, so your spouse would either need to be eligible for Medicare or have their own private health insurance.

Let's say you have young dependents at home. Maybe they're your own kids you had later in life, or maybe you care for your grandchildren or other dependents. While Social Security offers benefits for young dependents, Medicare doesn't. Your dependents would need their own healthcare insurance plans.

### **Keep up with changes**

Regardless of the Medicare decisions you make, you should revisit your selections every year. Open enrollment starts annually in October, which is the time to review what works for you and your family.

Sometimes changes are made to the program or laws that get passed affect Medicare. An example is the Inflation Reduction Act that was passed by Congress in 2022. It doesn't go into full effect until 2025, but it will reduce out-of-pocket costs for everyone from \$7,000 to \$2,000 for drugs. It also caps out-of-pocket insulin at \$35 per month, which is significant for those with diabetes.

If you need a little bit more guidance with your Medicare decision-making, the first point of contact is Medicare.gov. That site offers a ton of information, including how to enroll. Of course, you can enlist your trusted advisor to help you navigate these important decisions as part of a holistic financial plan as well.

### **As you consider your Medicare elections:**

- Determine if any of your dependents will need to switch to an individual healthcare plan.
- Speak to your advisor about your holistic financial situation to determine what makes the most sense.

Sources: [aspe.hhs.gov](https://aspe.hhs.gov)

*The information contained in this report does not purport to be a complete description of the healthcare issues referred to in this material. This material is being provided for information purposes only and is not a complete description, nor is it a recommendation.*