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Chart Comparing Plan Elections and Medicare Impact

Plan Election	Medicare Election	Impact of Elections
If you enroll in a creditable coverage option under our plan and...	Enroll in Medicare during your initial enrollment period	If you enroll in Medicare during your initial enrollment period, you will not incur late enrollment penalties. Once you enroll, our plan and Medicare will coordinate benefits. See the plan document for more details.
	Delay Medicare enrollment	To avoid a Part A and B penalty, you must maintain group health plan coverage as an active employee (or spouse of an active employee) until your Medicare enrollment date. To avoid a Part D penalty, you must maintain creditable prescription drug coverage until your Part D enrollment (a gap of 63+ days will result in a late enrollment penalty).
If you enroll in a non-creditable coverage option that is <u>not</u> associated with an HSA and...	Enroll in Medicare during your initial enrollment period	If you enroll in Medicare during your initial enrollment period, you will not incur late enrollment penalties. Once you enroll, our plan and Medicare will coordinate benefits. See the plan document for more details.
	Delay Medicare enrollment	To avoid a Part A and B penalty, you must maintain group health plan coverage as an active employee (or spouse of an active employee) until your Medicare enrollment date. To avoid a Part D penalty, you must maintain creditable prescription drug coverage until your Part D enrollment (a gap of 63+ days will result in a late enrollment penalty).
If you enroll in a non-creditable coverage option that is associated <u>with</u> an HSA and...	Enroll in Medicare during your initial enrollment period	If you enroll in Medicare during your initial enrollment period, you will not incur late enrollment penalties. Once you enroll, our plan and Medicare will coordinate benefits. See the plan document for more details. Impact on HSA eligibility: Once you enroll in Medicare, you will no longer be eligible to contribute to an HSA. You will continue to have access and can use your HSA funds.
	Delay Medicare enrollment	To avoid a Part A and B penalty, you must maintain group health plan coverage as an active employee (or spouse of an active employee) until your Medicare enrollment date. To avoid a Part D penalty, you must maintain creditable prescription drug coverage until your Part D enrollment (a gap of 63+ days will result in a late enrollment penalty).

If you drop coverage under our plan and ...		Impact on HSA eligibility: If you enroll in Medicare Part A or B after your initial enrollment period, CMS can backdate the effective date of Medicare coverage up to six months. You will be ineligible to contribute to an HSA beginning with the month of your Medicare effective date, even if retroactive. HSA contributions made after the effective date are considered excess contributions, and you must take a corrective distribution to avoid an excise tax when filing your individual federal tax return. You should make plans to cease HSA contributions if you plan to enroll in Medicare soon.
	Enroll in Medicare during your initial enrollment period	If you enroll in Medicare during your initial enrollment period, you will not incur late enrollment penalties.
	Delay Medicare enrollment	To avoid a Part A and B penalty, you must maintain group health plan coverage as an active employee (or spouse of an active employee) until your Medicare enrollment date. To avoid a Part D penalty, you must maintain creditable prescription drug coverage until your Part D enrollment (a gap of 63+ days will result in a late enrollment penalty).

The intent of this analysis is to provide general information regarding the provisions of current federal laws and regulation. It does not necessarily fully address all your organization's specific issues. It should not be construed as, nor is it intended to provide, legal advice. Your organization's general counsel or an attorney who specializes in this practice area should address questions regarding specific issues.