

DATE

NAME

ADDRESS

Dear CLIENT:

As you are soon to turn age 65, we are sending you this letter to let you know that we have resources to assist you with your Medicare options.

Medicare is a key topic to review and make decisions about at this point in your life. Medicare is:

- A federal health insurance program that covers certain medical services and supplies in hospitals and doctors' offices
- Provided for U.S. citizens and permanent residents who meet certain criteria—one criterion is reaching age 65
- Medicare is comprised of parts: A) hospitalization, B) medical, and D) Prescription Drug. In addition, most individuals also purchase a Medigap policy which covers many of the Medicare deductibles and copayments. Part D and Medigap are sold by private insurance carriers.
- There is also a Part C, otherwise known as Medicare Advantage, which replaces Parts A,B, D and Medigap which may be advantageous for some individuals.

Initial Medicare sign up is 3 months prior, month of, or 3 months after your 65th birthday. If your birthday falls on the 1st, enrollment is the 1st of the preceding month. When you first enroll in Medicare, you will automatically be enrolled in both Parts A & B. If you do not yet want Part B, you **must** opt out at this time. ***You should always enroll in Part A when you are first eligible since there is no cost for doing so.***

If you are still working and your company has less than 20 employees, Medicare is usually considered your primary payer. You may want to enroll in Part B if your employer has no health plan (or one with less coverage than Part B). If your employer has 20 or more employees, however, you will usually want to wait until you retire to enroll in Part B since it may offer little additional coverage over your employer plan to justify the premium.

Part A: there is no charge to you

Part B: your monthly cost is about \$104 until your adjusted gross income is either greater than \$85,000 (single) or \$170,000 (married filing jointly).

If you terminate your employment from a company in which the group carrier has been primary, you must enroll in Medicare Part B within 8 months or you will be subject to a 10% penalty (which is an increase in Part B premium) **for each year** of delayed enrollment. This premium surcharge is permanent for the remainder of your life. In addition, you may have to pay an additional premium for Medigap coverage. Late enrollment is January 1 – March 31 of each year for an effective date of July 1st, but you would still be subject to the penalty and a possible gap in coverage.

It is important to note that you may elect specific benefits and receive your Medicare card three months before you turn 65. It is wise to review this information in advance so you can take advantage of full coverage on the same day you blow out your 65 candles.

Please feel free to call me to discuss this further.