

Important Information Regarding Healthcare for Active Employees Age 65 or Older

If you are age 65 or older, actively working, and enrolled in your employer's group health plan, you must know the following:

- Under the Federal Law, your employer is responsible for your healthcare while actively working after the age of 65 years.
- If you have not elected to take your Social Security, you do not have to sign up for Medicare. When you do retire, you will be provided a Special Open Enrollment Period to enroll in Parts A & B Medicare. You **must** enroll during the Special Open Enrollment to ensure your Medicare enrollment is timely and to avoid any penalties for not enrolling in Part B Medicare when you were eligible.
- If you have elected to take your Social Security early (age 62 and after), due to you receiving your Social Security you will automatically be enrolled in Medicare Part A at age 65. However due to your active working status you do not have to enroll in Medicare Part B until you retire. When you do retire, you will be provided a Special Open Enrollment Period to enroll in Part B Medicare. You **must** enroll during the Special Open Enrollment to ensure your Medicare enrollment is timely and to avoid any penalties for not enrolling in Part B Medicare when you were eligible.

Since you are actively working and enrolled in the District's HDHP health plan with a Health Savings Account (HSA) you must understand the following regarding your HSA:

- If you are receiving Social Security, you will at age 65 be automatically be enrolled in Medicare Part A. By being enrolled in Medicare you become **ineligible** to receive or make any contributions into your HSA. You remain on the district's HDHP medical plan and any monies in your HSA can be used for eligible medical and Rx expenses; however, there can be no future Employer or Employee contributions made into your HSA.
- If you are **not** receiving your Social Security and **not** enrolled in Medicare while actively working past 65, you can continue to receive the Employer's HSA contribution and can continue to have your payroll contributions deposited into your HSA. When determining when you will retire you must consider the following:
 - When signing up for Medicare after 65, Medicare may go back (retroactively) up to 6 months from when you sign up or to when you turned 65 (whichever is the lessor). So, for example, if you are 66 and decide to retire and enroll into Medicare on July 1, Medicare will go back and effect your Medicare from either January 1 or later. When this is done, you are now ineligible to have made contributions into HSA as of the date your Social Security was effective. Therefore, when planning when you are going to retire, you should cease all contributions into your HSA six months prior to the date of when you have elected Medicare. This is to ensure you will not be taxed on those contributions that are considered ineligible due to your Medicare entitlement.