Working Past 65: Medicare Special Enrollment Guide

Description

If youâ??re **working past 65**, youâ??re not alone. Millions of Americans choose to stay on the job after reaching Medicare eligibility age, whether to continue earning, maintain employer health coverage, or delay retirement benefits. But when it comes to Medicare, working past 65 changes your enrollment timeline and can impact your costs for years to come.

One of the most important things to understand in this situation is the **Special Enrollment Period (SEP)**â??a unique window that lets you sign up for Medicare without facing late penalties. This article explains how SEPs work, how theyâ??re triggered, and what they mean for other coverage types like Medigap and Part D prescription drug plans.

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Understanding Medicare Enrollment Basics

Most people first become eligible for Medicare at age 65. The **Initial Enrollment Period (IEP)** is a seven-month window that starts three months before your 65th birthday, includes your birthday month, and extends three months after.

If you miss your IEP and donâ??t have other qualifying coverage, you may have to wait until the **General Enrollment Period** (January 1 â?? March 31 each year) to sign up, and you could face permanent late enrollment penalties.

But hereâ??s where **working past 65** can make a big difference: if you have qualifying employer coverage, you can delay Medicare enrollment without a penaltyâ??and youâ??ll get a **Special Enrollment Period** when that coverage ends.

If you are still working as you approach 65, start with the broader Turning 65 Medicare Guide, then use this article for the special enrollment rules that apply to employer coverage.

What Is a Special Enrollment Period?

A **Special Enrollment Period (SEP)** is a limited time during which you can enroll in Medicare outside your Initial Enrollment Period without penalty. SEPs exist to accommodate certain life eventsâ??one of the most common being the loss of employer-sponsored group health coverage.

If youâ??re **working past 65** and have **creditable coverage** through your job (or your spouseâ??s job), youâ??re allowed to delay enrolling in Medicare Part Bâ??and sometimes Part Aâ??until that coverage ends. When you stop working or your group coverage ends, your SEP begins.

How the SEP Works When Youâ??re Working Past 65

Hereâ??s the key timeline:

- **Length of the SEP**: You have **8 months** from the date your employment ends OR your group coverage endsâ??whichever comes firstâ??to enroll in Medicare Part A and/or Part B.
- **What counts as â??group coverageâ?•**: Your insurance must be through an **employer with 20 or more employees** (for Medicare primary rules). If the employer has fewer than 20 employees, Medicare generally becomes primary at 65, and you may not be able to delay without penalty. This situation has its own nuances, so you should make sure you understand your specific situation before making any decisions about Medicare.
- **When coverage overlaps**: You can enroll in Medicare at any time while still covered by employer insurance, or you can wait until your SEP begins.



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Common Mistakes to Avoid

- **COBRA confusion**: COBRA coverage is *not* considered active employer coverage for Medicare purposes. If you delay Medicare until COBRA ends, you could face penalties and gaps in coverage.
- **Retiree coverage misunderstanding**: Retiree health benefits also do not count as active employer coverage for delaying Medicare enrollment without penalty.

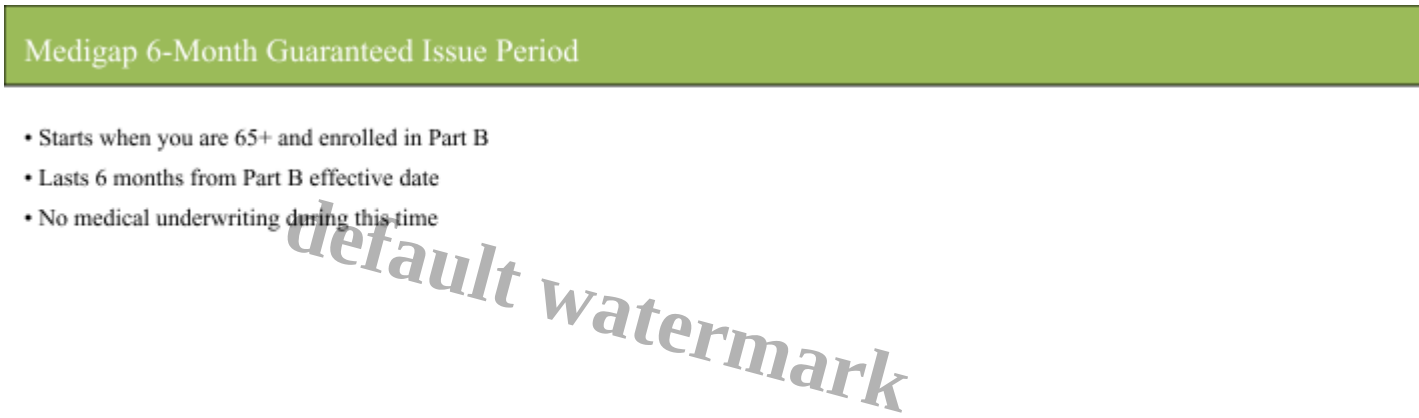
Part B Enrollment and Penalties

Part B covers outpatient care, preventive services, and doctor visits. If you miss your SEP, you could be charged a **permanent late enrollment penalty** of 10% of your monthly premium for each full 12-month period you were eligible but didnâ??t enroll. Thatâ??s why knowing your SEP window is critical when **working past 65**.

How SEPs Affect Medigap Enrollment

A **Medigap plan** (Medicare Supplement Insurance) helps cover the deductibles, copayments, and coinsurance that Original Medicare leaves behind.

- **Initial Medigap Enrollment**: Normally, you have a 6-month Medigap open enrollment period starting when youâ??re 65 or older and enrolled in Part B.
- **If you delay Part B**: Your 6-month Medigap enrollment period starts when you eventually sign up for Part Bâ??whether thatâ??s at 65, 68, or 72.
  This is good news: delaying Medicare because youâ??re working past 65 means you donâ??t lose your guaranteed-issue rights for Medigap. Youâ??ll still be able to buy any plan available in your state without medical underwriting during that window.

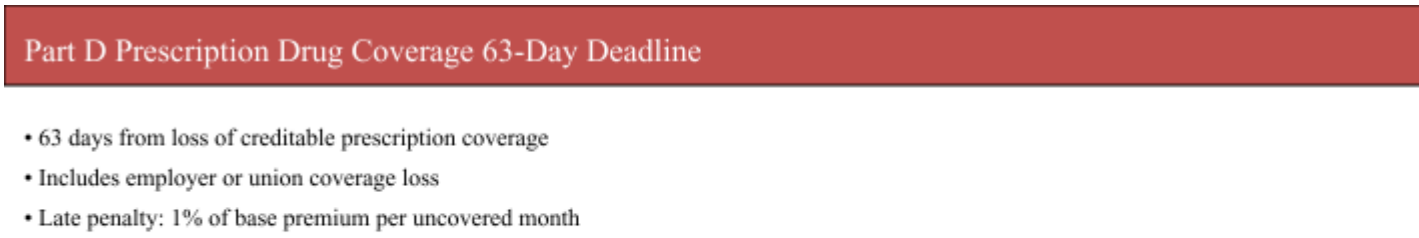


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How SEPs Affect Part D Prescription Drug Coverage

Part D covers prescription drugs. The rules for delaying are slightly different from Part B.

- You can delay Part D without penalty if you have **creditable prescription drug coverage** through your employer (or your spouseâ??s employer) while working past 65.
- When that coverage ends, you have a **63-day SEP** to enroll in a Part D plan or a Medicare Advantage plan with drug coverage.
- If you miss that 63-day window, youâ??ll face a **permanent late enrollment penalty**â??1% of the national base premium for every month you were without creditable coverage.



Timing Example: Working Past 65 and Retiring at 68

Letâ??s say you turn 65 in August 2025 but keep working until you retire in September 2028.

- **August 2025**: You become eligible for Medicare but stay on your employerâ??s group health plan, which is creditable.
- **September 2028**: Your employment ends. This triggers your SEP.
- **By May 2028**: You must enroll in Medicare Parts A and B (8 months after coverage loss) to avoid penalties.
- **By late October 2027**: You must enroll in Part D or a Medicare Advantage plan with drug coverage (63 days after coverage loss) to avoid penalties.
- **Medigap enrollment**: Your 6-month open enrollment for Medigap begins as soon as your Part B coverage starts. However, you can, and should if you want it to begin the same day as Part B starts, sign up for Medigap prior to Part B starting and schedule it to start simultaneously.

Key Tips for Smooth Transition from Employer Coverage

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1. **Confirm your coverage is creditable**: Get a written statement from your employerâ??s benefits administrator.
2. **Mark your SEP deadlines**: Put them in your calendar before your retirement date.
3. **Donâ??t rely on COBRA to delay Medicare**: Enroll in Medicare when your active employment coverage ends.
4. **Consider enrolling in Part A at 65**: Itâ??s usually premium-free if youâ??ve worked at least 10 years, but check with your benefits team firstâ??especially if you have an HSA.
5. **Review your prescription drug coverage**: Make sure it meets Medicareâ??s creditable coverage standard to avoid Part D penalties.
6. **Plan your Medigap timing**: If you want a supplement, the 6-month window after your Part B start date is the best time to apply.

The Bottom Line

Working past 65 can be financially and personally rewarding, but it also requires careful Medicare planning. Special Enrollment Periods give you the flexibility to delay Parts B and D without penaltiesâ??as long as you have qualifying employer coverage and enroll within the SEP deadlines.

Missing these deadlines can result in lifetime penalties and coverage gaps. On the other hand, understanding your SEP rights lets you time your Medicare enrollment to fit your retirement plans, coordinate with other benefits, and ensure you have the coverage you need when you need it.

Need one-on-one help navigating your SEP while working past 65? An independent Medicare broker can review your situation, confirm creditable coverage status, and guide you through the enrollment process for Part B, Part D, and Medigap so you avoid costly mistakes.



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65Medicare.org is a leading, independent Medicare insurance agency for people turning 65 and going on Medicare. If you have any questions about this information, you can contact us online or call us at 877.506.3378.

- Insurance Company of North America (INA) Medigap: What You Need to Know
- Medicareâ??s Hidden Costs (2026): The Bill You Never Saw Coming
- Pennsylvania Medigap Plans: A Complete Guide to Medicare Supplement Coverage in PA
- Wisconsin Plan G: Why Doesnâ??t It Exist?
- The Issue-Age Medigap Myth: Why â??Age Doesnâ??t Matterâ?• Isnâ??t the Whole Story

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1. Going on Medicare

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