

Making the Most of Medicare

An Easy Guide to Getting
More from Your Benefits



Making the Most of Medicare

Those who have Medicare or are aging into the program have many choices in today's health care environment. Whether you have Medicare now or will soon be enrolling, it makes sense to choose a plan that's a good fit for you, in both coverage and cost. But Medicare can be confusing, which makes it hard to compare options and make a sound decision.

This booklet will help you better understand Medicare. The questionnaire and worksheet in the center will help you assess your own health care needs and financial resources to find the best Medicare plan for you.

If you do have Medicare now, staying in the same plan year after year might be costing you more than you realize. Because your health needs and income change over time, it makes sense to revisit your Medicare plan benefits and costs each year.

If you'll be turning 65 soon, apply your Medicare dollars to the type of care and drug coverage you genuinely need. And know what costs you want to pay out of pocket, if any. If you're among those entitled to Medicare, do your health a favor and make the most of it!



How Medicare Works

How Medicare Works

Medicare is a federal health insurance program for eligible adults 65 and older and for those under 65 with a medical disability who qualify. Medicare has four parts — Part A, Part B, Part D and Part C. There's also Medicare supplement insurance, known as gap insurance or Medigap. It helps cover the gaps in your Medicare coverage as well as your share of the costs for Medicare services.



Each part helps pay for different health care costs. Part C is unique because it combines the coverage of the other parts of Medicare. The icons will help you understand and remember how Medicare works.

There are two ways to receive your Medicare coverage: Original Medicare (Part A and Part B) or a Medicare Advantage plan (Part C).

Original Medicare = Part A and Part B



Original Medicare is coverage managed by the federal government. When you choose Original Medicare, you get the coverage included in Medicare Part A and Part B.

Medicare Part A acts as hospital insurance. Part A helps pay for inpatient care in hospitals, hospice care, home health care and care provided in a skilled nursing facility if you meet certain requirements. If you or your spouse paid Medicare taxes when you were working, the federal government may pay your premium (monthly fee) for Part A coverage. If ineligible, you can still purchase Part A.

Contact Medicare to find out if you qualify at 1-800-MEDICARE (1-800-633-4227) (TTY users call 1-877-486-2048) 24 hours a day, seven days a week.



Medicare Part B provides medical insurance. Part B helps cover doctor visits, procedures that don't require an overnight hospital stay and some preventive care services, such as flu shots. Most people pay a monthly premium for Part B, which is based on their income. The monthly premium for Part B is typically taken out of your Social Security check. However, you don't have to choose to start receiving Social Security to enroll in Medicare. At 65, if you decide to wait to collect Social Security, you'll pay for Part B out of pocket. You'll receive a bill from the Social Security Administration quarterly.

Original Medicare *doesn't* cover most prescription drugs or custodial care, such as nursing home stays.

Prescription Drug Coverage = Part D



Medicare Part D helps cover your cost for prescription drugs if you have Original Medicare.

Part D plans are managed by private Medicare-approved insurers. You must enroll in a private plan to receive Part D services. Part D covered drugs generally:

- Vary plan to plan
- Include commonly used brand-name and generic drugs
- Don't cover over-the-counter medicines



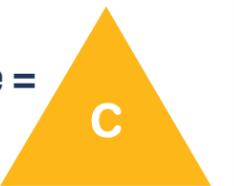
A Part D drug plan can be added to your Medicare benefits as a stand-alone plan if you've chosen Original Medicare or are planning to choose it. A cost-effective way to buy Part D drug benefits is getting them wrapped into a Medicare Advantage plan with hospital and medical coverage, known as Medicare Part C, described in the next section.

Most Medicare drug plans have a coverage gap. After you and the plan spend a certain amount on prescriptions, coverage stops. At that point, you're responsible for paying future prescription costs until you reach a predetermined amount. If you reach the coverage gap for your Medicare drug plan, you'll be able to purchase brand-name and generic drugs at a discounted price.

Higher-income Medicare recipients pay a monthly income-related premium for Part D benefits. In addition to the Part D federal government premium cost, you may have a monthly premium charged by the Part D private insurer. Other costs may include an annual deductible and coinsurance or copayments.

If you have limited financial resources, you may qualify for Extra Help to put toward Part D plan costs. Certain organizations, such as the Social Security Administration, offer financial assistance (see page 17 for contact information).

Part C Medicare Advantage = Medicare Parts A, B and often D



Medicare Part C, or Medicare Advantage, integrates Medicare Part A and Part B coverage with additional medical benefits not covered by Original Medicare. Many Medicare Advantage plans include Part D drug benefits. Medicare Advantage plans are available through private health insurers and may include:

- Routine eye and dental care
- Hearing aids and eyewear
- Wellness programs
- Discount programs for services and products, such as acupuncture and vitamins

When you enroll in a Medicare Advantage plan, you're still a Medicare beneficiary and receive all the entitlements and privileges of Original Medicare.

You're simply choosing to assign the administration of your Medicare benefits to a private insurer and will receive your benefits through the Medicare Advantage plan you join. The federal Centers for Medicare & Medicaid Services, or CMS, oversees the private health insurers to manage benefits for you if you enroll in a Medicare Advantage plan. When you enroll in Medicare Advantage, CMS applies your Original Medicare benefits to your Medicare Advantage plan. To be eligible for a Medicare Advantage plan, you must:

- Reside in the U.S.
- Live in the plan service area
- Be entitled to Medicare Part A
- Have enrolled in Medicare Part B
- Continue to pay your Part B premium
- Not have end-stage renal disease, in most cases

Original Medicare versus Medicare Advantage

Original Medicare only helps pay for certain medical costs, but you may find it doesn't cover all the services you need. If you choose Original Medicare, you can extend your coverage by adding a stand-alone Medicare Part D drug plan. You may also want to get coverage that fills the gaps in Original Medicare coverage. Medigap supplements Original Medicare. One way to enhance Original Medicare coverage is to add a Medicare supplement insurance policy, called Medigap, from a private insurer.



Medigap plans expand or eliminate Original Medicare coverage limits and, depending on the plan, cover all or a portion of Medicare deductibles and coinsurances. Medigap plans are accepted nationwide. As long as you pay your premium, a Medigap policy is guaranteed renewable. A Medigap policy only covers one person. If you and your spouse both want Medigap coverage, each of you will need to buy separate policies.

Monthly premiums are impacted by such variables as where you live, if you use tobacco and your age, height, weight and gender. Since costs vary, it's important to compare Medigap policies.

Under certain circumstances, you're guaranteed the right to buy a Medigap policy. In these situations, insurance companies can't place conditions on a Medigap policy, such as exclusions for preexisting conditions, or charge more due to past or present health problem.

There are additional costs beyond any required Medicare Part A and Part B premiums you may have with Original Medicare:

- A deductible — a set amount you pay every year before Medicare coverage begins
- The entire cost of services not covered by Medicare
- Coinsurance — a portion of the cost of Medicare-approved service (usually 20 percent)
- Part D drug plan premium, if you choose to add drug benefits
- Supplement plan (Medigap) premium, if you elect to buy supplement insurance

Medicare Advantage includes Medicare Parts A and B and additional benefits, plus Medicare Part D in many cases. Medicare Advantage plans foster good health by including:

- Health assessments
- Care management resources for managing chronic conditions
- Free preventive services and annual physicals with no coinsurance
- More covered services, which could include dental, vision, hearing and fitness
- There are several types of Medicare Advantage plans, including:

Health Maintenance Organization or HMO — An HMO requires you to choose a primary care physician, or PCP, to manage your medical needs. When you need a specialist or other

provider, your PCP coordinates care with other specialists, providing referrals as appropriate. Care provided, arranged or authorized by the HMO and your PCP within the HMO network is covered.

Point of Service plan or POS — A POS is an HMO that lets you get some out-of-network services at in-network costs.

Preferred Provider Organization or PPO — A PPO allows you to visit any health provider you'd like. You often pay more to see doctors outside the preferred provider network. Referrals aren't usually necessary to see specialists.

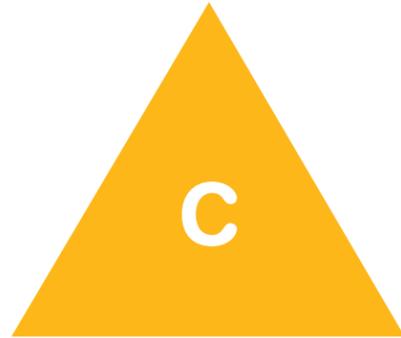
Private-Fee-for-Service plans — A PFFS plan decides how much it will pay doctors, other health care providers, and hospitals, and how much you must pay when you get care. The government requires a PFFS plan to have a provider network. If you join a PFFS plan, you can see any of the network providers. You can also choose an out-of-network doctor, hospital, or other provider who accepts the plan's terms, but you may pay more.

Special Needs Plan or SNP — SNPs are for people with a chronic illness, older adults with limited income and seniors living in a nursing home. You must meet certain qualifications to be eligible.



Choose a Medicare Plan That Fits You

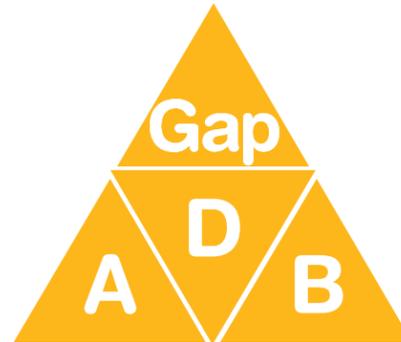
You can choose a Medicare Advantage plan that bundles the coverage of the different parts together in a single plan.



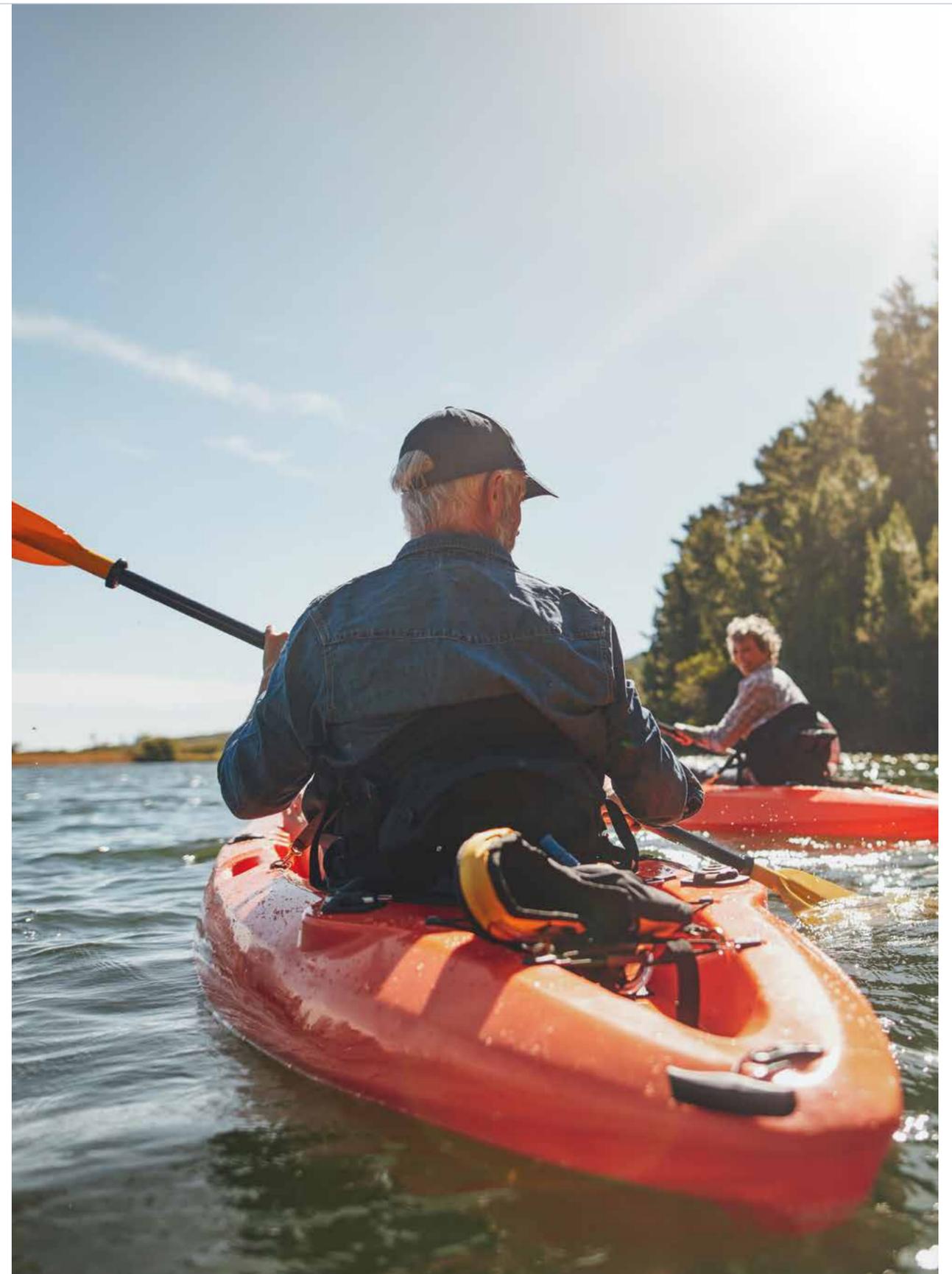
A Medicare Advantage plan includes:

- Part A – Hospital
- Part B – Medical
- Part D – Prescription Drugs (most plans)
- Some coverage that's similar to what you'd get in a Medicare supplement plan
- Often includes additional benefits, such as dental, vision, hearing and fitness

Or you can purchase them separately and combine different types of Medicare coverage into one package.



- Part A – Hospital
- Part B – Medical
- Part D – Prescription Drugs
- Gap – Medicare supplement (Medigap)



Know Your Needs

If you're considering Medicare for the first time, the first step in choosing the right plan is to understand your needs and the coverage and out-of-pocket costs you prefer. If you already have Medicare, use this questionnaire to help you decide if it would be beneficial to change your Medicare plan based on changes in your circumstances since the last Medicare plan election period.

Questionnaire page one

Ask yourself:	Yes	No	If "No," you can:
<p>Do I qualify for Medicare Part A? Some people automatically qualify at age 65. Others must sign up. There are some exceptions. For details, contact Medicare at 1-800-MEDICARE (1-800-633-4227) (TTY users call 1-877-486-2048) 24 hours a day, seven days a week.</p>	<input type="radio"/>	<input type="radio"/>	Think about buying Part A coverage if you're age 65 or older, or are disabled and have returned to work. To receive Part A benefits, you may have to enroll in Part B and pay its monthly premium.
<p>Should I sign up for Part B now? Enroll when you're eligible to avoid extra costs. If you wait, you'll pay 10 percent more for each year you qualified and didn't enroll. There are some exceptions. One exception is that you recently had group health insurance through a current or former employer.</p>	<input type="radio"/>	<input type="radio"/>	To enroll in a Medicare Advantage plan, you need to be enrolled in Part B. If you had group health insurance, you can enroll in the Special Enrollment Period (see page 13).
<p>Can I afford to pay the health care costs Original Medicare doesn't cover? You'll pay:</p> <ul style="list-style-type: none"> Part A and Part B deductibles before coverage begins A monthly Part B premium 20 percent of the amount Medicare approves for the medical services it covers 100 percent of the cost for services not covered by Medicare 	<input type="radio"/>	<input type="radio"/>	Consider other plan types, such as a Medicare Advantage plan or a Medicare supplement plan. Compare plan costs and coverage online at www.medicare.gov . The worksheet on page 11 can help you figure out what you can afford to pay each month for health care. Assistance programs are available if you're eligible (see page 17).

Questionnaire page two

Ask yourself:	Yes	No	If "No," you can:
<p>Do I have special needs? Consider a Medicare Advantage Special Needs Plan if you:</p> <ul style="list-style-type: none"> Have a qualified disabling illness Live in a facility, such as a nursing home 	<input type="radio"/>	<input type="radio"/>	Choose either a different Medicare Advantage plan or Original Medicare. If you have group retiree benefits, check with your employer or union to determine how it works with Medicare.
<p>Do I want prescription drug coverage? You can get Medicare Part D prescription drug coverage by enrolling in a stand-alone Medicare prescription drug plan if you've chosen Original Medicare. Most Medicare Advantage plans also offer the coverage.</p>	<input type="radio"/>	<input type="radio"/>	You may have to pay a penalty if you join later. Even if you don't take medicines now or don't think you need drug coverage, you may still want to consider enrolling in Part D through a private plan. It'll protect you from unforeseen expenses.
<p>Does the plan cover my prescription drugs and include my pharmacy in its network? Medicare drug plans vary in what they cover and cost. Some plans do cover certain drugs during the coverage gap (see page 3 for explanation of the "coverage gap").</p>	<input type="radio"/>	<input type="radio"/>	To find a plan that provides prescription drug coverage, visit www.medicare.gov . You can search each company's formulary, benefits, costs and pharmacy network.
<p>Do I want coverage for hearing aids, routine eye exams and dental services, and extra preventive care not covered by Medicare? Medicare Advantage plans often offer these additional benefits. You may pay extra for them.</p>	<input type="radio"/>	<input type="radio"/>	Consider Original Medicare or a Medicare supplement plan.
<p>Is my current doctor in a Medicare Advantage plan network? If your doctor is in a Medicare Advantage HMO or PPO network, consider joining it. You can save money.</p>	<input type="radio"/>	<input type="radio"/>	Consider Original Medicare or a Medicare Advantage PPO that lets you see doctors outside their network.

Ask yourself:	Yes	No	If "No," you can:
Do I want a primary care physician who'll coordinate my specialty care? Opt for a Medicare Advantage HMO plan. Your PCP and your specialists will work together on your plan of care. Most services require a referral from your PCP.	<input type="radio"/>	<input type="radio"/>	Opt for a Medicare Advantage PPO plan or Original Medicare.
Am I willing to pay more so that I can receive care from any provider? You'll pay more out of your pocket for Medicare Advantage PPO plans or Original Medicare. But they help cover services from most providers.	<input type="radio"/>	<input type="radio"/>	If doctors and hospitals you like are in a network and cost is an issue, a Medicare Advantage HMO plan is a good choice. You must stay in the network to receive most benefits. A Medicare Advantage PPO plan is an alternative.
Do I live out of state part of the year? Snowbirds, adults who spend the winter in warm climates, need a plan that covers routine preventive services anywhere in the U.S., such as a Medicare Advantage PPO plan. Some Medicare Advantage HMO plans also offer out-of-state travel benefits for snowbirds.	<input type="radio"/>	<input type="radio"/>	Join a Medicare Advantage HMO plan if you stay in your service area and can easily access network providers, or if the HMO meets your coverage needs when you're traveling. In an emergency, you're covered anywhere in the U.S.
Do I need coverage for traveling abroad? Select a Medicare Advantage plan that covers emergency care in foreign countries.	<input type="radio"/>	<input type="radio"/>	Consider a less costly policy that covers only basic benefits.

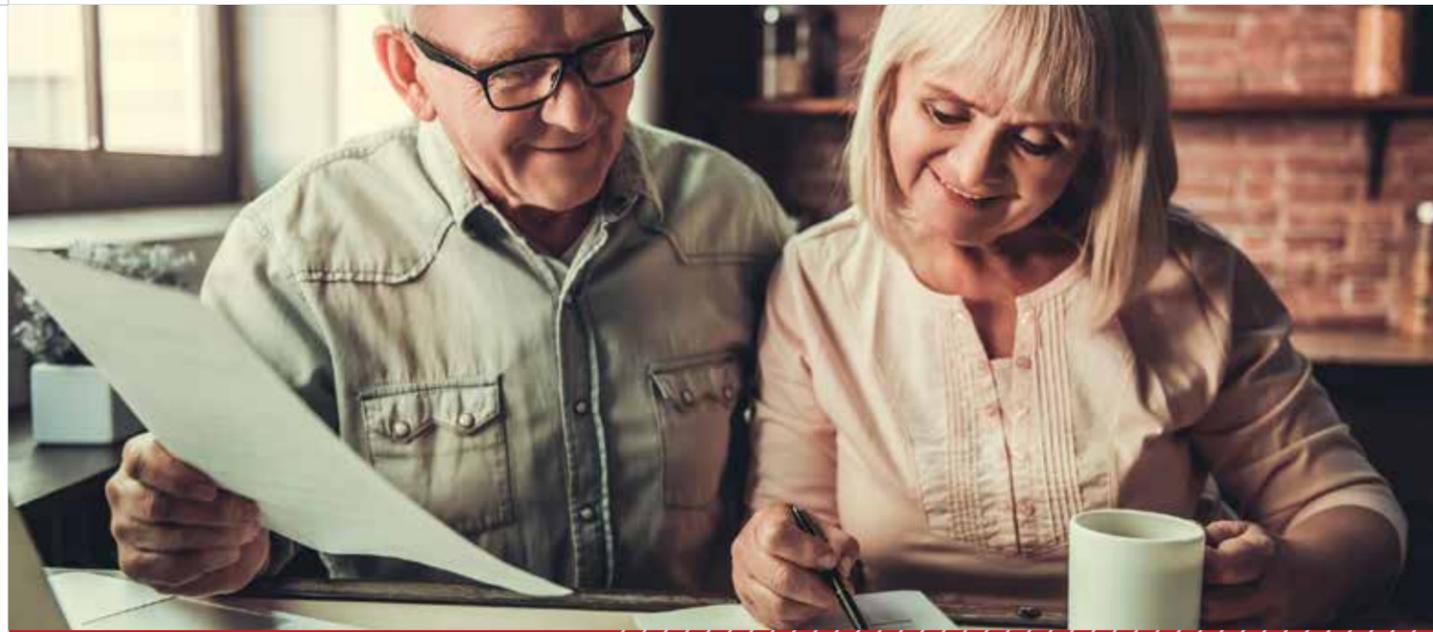


For details, contact Medicare at **1-800-MEDICARE (1-800-633-4227)** (TTY: 1-877-486-2048), 24 hours a day, seven days a week.

Monthly Budget Worksheet

Use this worksheet to help you estimate how much money you can afford to spend on health care each month.

Monthly Income	
Source 1	\$
Source 2	\$
Other income	\$
A. Total Monthly Income	\$
Fixed Expenses	
Mortgage/rent	\$
Loan(s)/debt	\$
Property taxes	\$
Homeowner's/renter's insurance	\$
Life insurance premiums	\$
Auto insurance premiums	\$
Cable TV	\$
Internet service provider	\$
Other	\$
B. Total Monthly Fixed Expenses	\$
Variable Expenses	
Groceries	\$
Electricity	\$
Natural gas/heating oil	\$
Water and sewer	\$
Telephone (home/cell)	\$
Auto (gas/maintenance)	\$
Clothing	\$
Personal grooming	\$
Entertainment/travel	\$
Gifts/donations	\$
Miscellaneous	\$
C. Total Monthly Variable Expenses	\$
D. Total Monthly Expenses (line B + line C)	\$
Summary	
Income (line A)	\$
Minus total expenses (line D)	\$
E. Amount Available Monthly for Health Care Expenses (Medicare premiums, plan premiums, copayments and deductibles)	\$



Enroll in a Plan

Enroll in a Plan

As you plan your Medicare coverage, make sure you understand the enrollment rules for the plans you're considering. Here are the answers to some frequently asked questions.

Q. When can I enroll in Medicare?

A. If you'll be eligible for Social Security and will be collecting it, you'll be automatically enrolled in Original Medicare Parts A and B. Your coverage will begin the first day of the month you turn 65. If you aren't electing to begin receiving Social Security benefits at this time, or you didn't work so you're not entitled to them, contact the Social Security Administration three months before you turn 65 to sign up for Medicare. You can learn more online at www.ssa.gov.

Q. Do I have to enroll in Medicare Part B and pay the monthly premium to enroll in a Medicare Advantage plan?

A. Yes. In most cases, if you enroll in a Medicare Advantage plan, you must continue to pay your Part B premium.

Q. When can I enroll in a Medicare Advantage plan?

A. You can enroll in Medicare Advantage when you first become eligible for Medicare. You're eligible three months before you turn 65 until three months after. If you're already enrolled in Original Medicare, you can join a Medicare Advantage plan during the Annual Election Period (see the chart on page 14 for time frame).

Q. Can I change Medicare Advantage plans if the one I'm enrolled in isn't meeting my current needs?

A. Yes, you can switch once a year during the Annual Election Period. The enrollment dates and rules are the same as those for joining a Medicare Advantage plan for the first time (see previous question). To change plans, just join a new Medicare Advantage plan. You'll automatically be disenrolled from the old plan when your new coverage begins.

Q. What if I need to join or change Medicare Advantage plans outside the designated times?

A. During the Open Enrollment Period which takes place January 1 to March 31, you can make a one-time election to switch MA plans or to disenroll from an MA plan and move to Original Medicare.

You can only do so in special circumstances. These include:

- Moving out of your existing plan's service area
- Living in an institution, such as a nursing home
- Qualifying for Extra Help, such as if you receive both Medicare and Medicaid, get Supplemental Security Income, or apply for and receive financial assistance

Q. Can I enroll in both a Medicare Advantage plan and a supplement policy (also known as Medigap)?

A. No. If you have a Medicare Advantage plan, you don't need and can't buy a Medigap policy.

Q. Can I enroll in both a Medicare Advantage plan and a stand-alone prescription drug plan (PDP) for drug coverage?

A. Usually, no. If your Medicare Advantage plan offers drug coverage, you have to use that plan's drug coverage. If your plan offers drug coverage and you enroll in a stand-alone PDP, you'll be automatically disenrolled from the Medicare Advantage plan and returned to Original Medicare.

3 months to 1 month before turning 65	→	Sign up early to avoid delay in coverage.
The month you turn 65 and up to 3 months after turning 65	→	If you wait until the last four months of your Initial Enrollment Period to sign up, your coverage start date will be delayed.

When to Sign Up

When you're first eligible for Medicare and additional coverage, you have a seven-month Initial Enrollment Period to sign up.

If you don't sign up for Medicare Part A and Part B at this time, you can apply during the General Enrollment Period, which occurs January through March each year. But you may have to pay a higher premium for late enrollment. You may qualify for the Special Enrollment Period in certain circumstances. Call the plan for details.



Important Dates

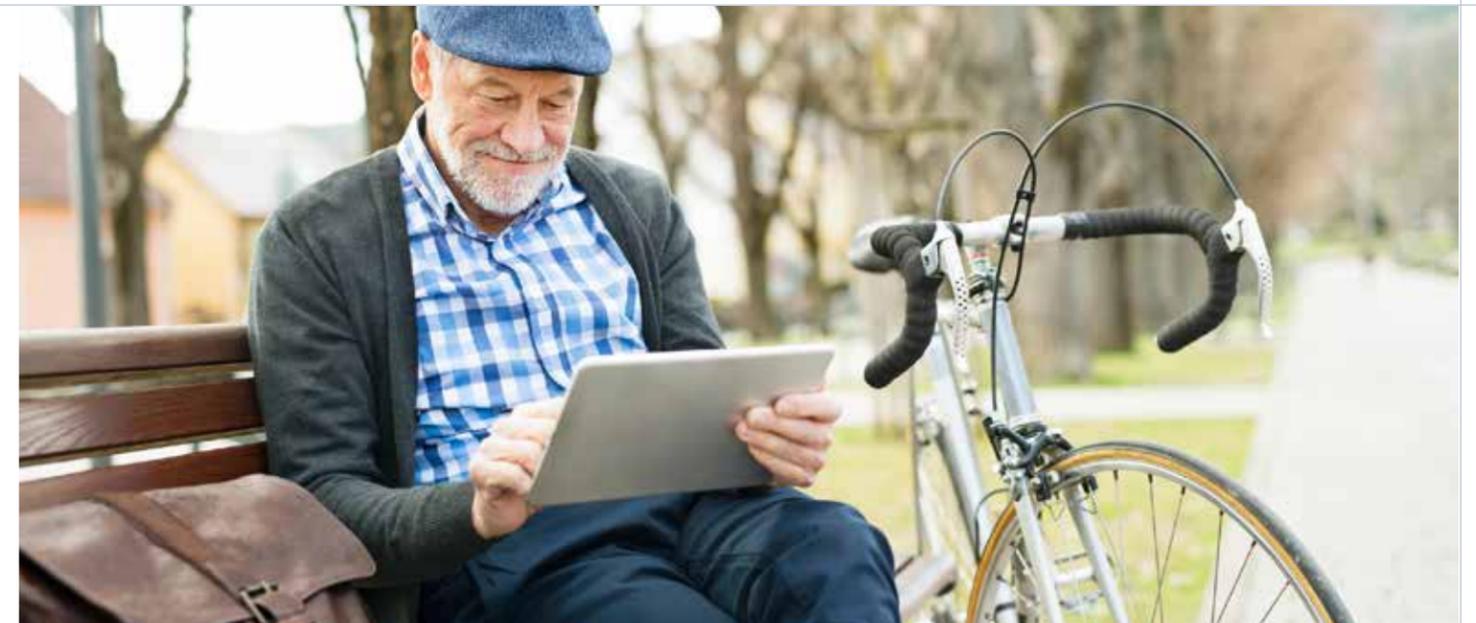
Are You Turning 65?

Three months before you turn 65, call Social Security at 1-800-772-1213 (TTY users call 1-800-325-0778) from 7 a.m. to 7 p.m. Monday through Friday to determine your Medicare eligibility. Or you can visit your local Social Security office or go online at www.ssa.gov/medicareonly/. If you already get Social Security benefits, you may be automatically enrolled.

Already Enrolled?

Each year, you can choose whether to keep or change your Medicare coverage. Here are some time frames to remember. For exact dates, visit www.medicare.gov.

Time frame	Event
October 15 through December 7	<p>Annual Election Period During this time, you can:</p> <ul style="list-style-type: none"> • Join a Medicare Advantage medical plan or Part D prescription drug plan • Switch a Medicare Advantage medical plan or Part D prescription drug plan • Change from a plan that includes Medicare Part D prescription drug coverage to one that doesn't • Disenroll from a Medicare Advantage plan
January 1	If you joined a new plan, new coverage begins.
January 1 through March 31	<p>Open Enrollment Period During this time, beneficiaries can make a one-time election to switch MA plans or to disenroll from an MA plan and move to Original Medicare.</p> <p>Newly MA-eligible individuals who enroll in an MA plan can make a one-time election to change MA plans or drop MA coverage. They can also obtain original Medicare during the period that begins the month the individual is entitled to both Part A and Part B and ends on the last day of the third month of entitlement. Call the plan for details.</p>



Get the Most from Your Medicare Benefits

Even the budget-minded don't have to sacrifice their health. Here are tips to help you minimize costs and maximize benefits.

- **Save money on health care by not paying for duplicate coverage.** If you have group benefits from a current or former employer or union, ask your plan administrator how the coverage compares and coordinates with Medicare before selecting an option. Compare your group plan's costs and benefits against a Medicare Advantage plan or Original Medicare with a Medicare supplement (Medigap) insurance policy.
- **Make sure your provider accepts Medicare before receiving services under Original Medicare.** Otherwise, you may pay up to 15 percent more than the amount Medicare has approved for a particular service.

- **Stay in network for services if you have a Medicare Advantage HMO or PPO.** These plans may negotiate lower rates with providers in their networks. It's good to take advantage of them.
- **Schedule your Medicare-covered physical.** You're entitled to a free physical exam within the first year under any Medicare plan that includes Part B.
- **Get covered immunizations and preventive health screenings.** You know that prevention is critical to staying healthy. Get flu shots, mammograms, or prostate cancer tests and other covered screenings to find problems early, when they're most treatable. Most preventive services are now covered. Check with your plan.

- **Take advantage of benefits for special conditions.** People with diabetes, for example, may be eligible for two free fasting plasma glucose screenings annually. The Part B deductible and coinsurance do not apply. Visit www.medicare.gov to learn what's covered.
- **Use discount programs.** From chiropractic services to vitamins to weight-loss programs and more, discount programs can save you a lot. Find out if your plan offers them.
- **Be aware of changes in coverage.** Be sure to read information you receive from Medicare and your health plan provider.
- **Stay within the pharmacy network to save money on drugs.** It'll help you pay less for your covered prescription drugs.
- **Embrace generic drugs.** Ask your doctor to prescribe generic alternatives. They meet FDA requirements, are safe and effective, and cost less. Some Medicare drug plans cover generics during the gap period.
- **Substitute preferred for nonpreferred brands.** Sometimes a generic isn't available. Your doctor may prescribe a drug that's on your plan's nonpreferred brand list. If that happens, ask your doctor if there's a less expensive option from the preferred list that works just as well. Preferred brands have been on the market for a while and are less expensive.
- **Shop around.** Prices vary by pharmacy. Explore mail-order pharmacies; some may offer lower pricing. Plus, your plan may offer a lower copayment for a three-month mail-order supply of medications.
- **Use a discount drug card.** If your plan offers a discount drug card, use it to pay for prescriptions that aren't covered. Some pharmacies may offer discount cards, too. If there's a fee, consider the cost versus the benefit.

- **Ask your doctor for samples.** Physicians are sometimes able to provide samples from pharmaceutical companies.
- **Check pharmaceutical assistance programs.** Some major drug manufacturers offer assistance programs. Visit Medicare's Pharmaceutical Assistance Program website at www.medicare.gov/pap/index.asp to determine if programs are offered for the drugs you take.



← Tear along perforation to keep for easy reference.

Help Is Available

You may qualify for help in paying your health care coverage and prescription drugs. Contact these organizations to learn about the financial assistance they offer and how to qualify:

Federal Resource

Social Security Administration

Social Security helps pay premiums, deductibles and prescription copayments for people with limited income and assets. Apply online at www.ssa.gov.

1-800-772-1213

TTY users call **1-800-325-0778**

7 a.m. to 7 p.m. Monday through Friday

Eldercare Locator links those who need assistance with state and local area agencies on aging and community-based organizations that serve older adults and their caregivers. For more information, visit www.eldercare.gov.

1-800-677-1116

TTY users call **711**

9 a.m. to 8 p.m. Eastern time, Monday through Friday

Other Important Phone Numbers

Centers for Medicare & Medicaid Services

www.medicare.gov

1-800-MEDICARE (1-800-633-4227)

TTY users call **1-877-486-2048**

Available 24 hours a day, seven days a week

Arkansas Blue Cross

Medicare Advantage Plans

arkansasbluecross.com/Medicare

1-844-298-2444

TTY users call **711**

8 a.m. to 8 p.m. Central time, Monday through Friday,
April 1 through September 30.

8 a.m. to 8 p.m., Central time, seven days a week,
October 1 through March 31.



This publication is sent to you courtesy of Arkansas Blue Cross.

Arkansas Blue Cross and Blue Shield is a PFFS and PDP plan with a Medicare contract. Health Advantage is an HMO plan with a Medicare contract. Enrollment in Arkansas Blue Cross and Blue Shield or Health Advantage depends on contract renewal.

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A note about working beyond 65

Many Americans continue to work beyond the age of sixty-five.

There are many reasons for an aging American workforce:

- Financial need
- Reductions in government benefits
- Improving health of Americans
- Desire to stay mentally active
- Belief that working helps you stay more youthful

For those who work beyond age 65, it's important to understand the impact on Social Security benefits.

You can get Social Security retirement benefits and work at the same time. But, if you're younger than full retirement age and make more than the yearly earnings limit, the Social Security Administration will reduce your benefit. Starting with the month you reach full retirement age, SSA will not reduce your benefits no matter how much you earn.

What happens if you work and get Social Security benefits?

- If you are under full retirement age for the entire year, SSA will deduct \$1 from your benefit payments for every \$2 you earn above the annual limit. For <2018>, that limit was <\$17,040>.
- In the year you reach full retirement age, SSA will deduct \$1 in benefits for every \$3 you earn above a different limit, but they only count earnings before the month you

reach your full retirement age. For those who reached full retirement age in <2018>, the limit on their earnings for the months before full retirement age was <\$45,360>.

- Starting with the month you reach full retirement age, you can get your benefits with no limit on your earnings.

Visit www.socialsecurity.gov/retirement/ageincrease.htm to use the SSA's Retirement Age Calculator to find your full retirement age based on your date of birth.

Visit www.socialsecurity.gov/OACT/COLA/REffect.html to use the Retirement Earnings Test Calculator to find out how much your benefits will be reduced.

When you calculate how much to deduct from your benefits, count only wages from your job, or your net earnings if self-employed. **Do** include bonuses, commissions and vacation pay. **Don't** count pensions, annuities, investment income, interest or veterans or other government or military retirement benefits.

Your Social Security Benefits may increase when you work

As long as you continue to work, even if you're receiving Social Security benefits, you'll continue to pay Social Security taxes on your earnings. The good news is, SSA will check every year to see if the additional earnings you had will increase your monthly benefit. If it does, the SSA will send you a letter notifying you of your new benefit amount.

Use this space for notes as you evaluate the Medicare coverage options that are best for you.

Notes

Things to Know about Medicare

You can still work and get Medicare. If you're 65 or over, still on the job and work for an employer with 20 employees or less, Medicare must provide primary coverage for you.

Enroll in Medicare when you're first eligible, even if you have other health coverage. Even if your former employer provides some level of retiree health benefit, you should sign up for Medicare when you're first eligible to avoid penalties and coverage gaps. Then, employer-provided benefits provide a secondary layer of coverage.

Don't think because you have Medicare your coverage and costs won't change. If your plan's cost and coverage do stay the same, your health or finances may change. Review your plan each year to make sure it's still meeting your needs.

If you have Medicare or will soon enroll, you may be eligible for a Low Income Subsidy or Extra Help. But you must apply. Millions of dollars are left unspent each year because Medicare beneficiaries don't know help is available (see pages 17 and 18).

Research has shown Medicare Advantage plans offer the lowest costs for typical new Medicare enrollees. A report from the consumer group *HealthPocket.com* concludes Medicare Advantage plans are the least expensive coverage for typical seniors who get medical care within their network of doctors.

Original Medicare doesn't cover everything. You'll have gaps in care with Original Medicare, but in rural areas, your coverage will extend to doctors and hospitals outside a Medicare Advantage network that accept Medicare.