Understanding Medicare

Your retirement questions answered ***every step of the way!***

TRANSITIONS
Benefit Group

2026

Transitions Benefit Group
(800) 936-1405
www.transitionsrbg.com

Cost Analysis and Medicare Options

*** Rates are subject to change ***

Your Personal Situation

Are you:

- ☐ Continuing to work or moving to Medicare?
- ☐ Planning to retire soon?
- ☐ Covering a spouse or dependent child?
- ☐ Have a spouse who is receiving Social Security benefits?
- ☐ Contributing to a Health Savings Account (HSA)?
- ☐ Are you currently on COBRA?
- ☐ Will you receive COBRA after retirement?
- ☐ Are you receiving retiree medical benefits?
- ☐ Will you receive a severance package with continued health benefits?
- ☐ Are you an active employee?
- ☐ Are you covered under a domestic partner's employer plan?
- ☐ Is your prescription coverage considered creditable?

Part A — What It Covers (80%)

- Inpatient hospital services
- Skilled nursing facilities
- Hospice care
- Select home health care services

Monthly premium: $_____

If you have 10 years of work history or (40 creditable quarters)

Your Current Employer Plan

Please provide the following information:

Employer plan: $_____

Annual deductible: $_____

Max out-of-pocket: $____ /12=$_____monthly

HSA contributions: $_____

Total monthly spend: $_____

Be prepared to provide a list of your current doctors and prescriptions.

Part B — What It Covers (80%)

- Doctor visits
- Emergency room/urgent care
- Outpatient surgery
- Ambulance ground and air
- Lab work
- X-rays

Monthly premium: $_____

Part B premium is based on your income. Refer to IRMAA chart on page 5.

Income-Related Monthly Adjustment Amount (IRMAA) fees: $_____

Notes:

The standard 2026 premium for Part B is $202.90. It may be higher based on your income and is usually deducted from your Social Security check. If your MAGI is above a certain amount, you may pay an **IRMAA for Parts B and D** *(See table on page 5)*. If you are not receiving Social Security benefits, you will be responsible for paying your Medicare premiums directly to the federal government.

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Choosing Your Medicare Coverage Option
Compare Your Two Primary Coverage Choices

	Option 1	Option 2
Coverage Type	**Original Medicare + Medigap + Part D**	**Medicare Advantage (Part C)**
How It Works	Medicare pays first. Your Medigap plan helps pay many of Medicare's deductibles, copays, and coinsurance. A separate Part D plan covers prescription drugs.	A private insurance company administers your Medicare benefits, including Part A and Part B, and usually Part D. Many plans also include dental, vision, hearing, and other benefits.
Monthly Costs	▪ Medicare Part B premium ▪ Medigap premium ▪ Part D premium	▪ Medicare Part B premium ▪ Medicare Advantage premium (many plans have a $0 premium)
Out-of-Pocket Costs	Generally lower when you receive care because Medigap pays most Medicare cost sharing.	Copays and coinsurance apply for most services until you reach the plan's annual maximum out-of-pocket limit.
Provider Choice	Visit any provider nationwide who accepts Medicare. No referrals are generally required.	Generally, must use the plan's network (HMO or PPO). Referrals may be required depending on the plan.
Prescription Drugs	Purchased separately through a Part D plan.	Usually included with the Medicare Advantage plan.
Travel	Excellent nationwide coverage anywhere Medicare is accepted.	Best coverage within the plan's service area. Emergency and urgent care are covered while traveling.
Best For	People who value provider flexibility and predictable medical costs.	People who want an all-in-one plan with additional benefits and are comfortable using a provider network.

Things to Consider

Before making your decision, ask yourself:

- Do I want the freedom to see any Medicare provider?
- How often do I visit doctors or specialists?
- Do I travel frequently or live in more than one state?
- Are lower monthly premiums or lower out-of-pocket costs more important?
- Are my current physicians in the Medicare Advantage network?
- Are my prescriptions covered on the plan's formulary?

*Option 1: **Original Medicare***

with Medicare Supplement / Medigap plan

Original Medicare + Medigap + Part D

Medigap Plan

Plan Selected: _____

Carrier Selected: _____

Monthly Premium: $_____

Part D Prescription Drug Plan

Plan Selected: _____

Monthly Premium: $_____

IRMAA (if applicable): $_____

Preferred Pharmacy: _____

Estimated Monthly Cost

Part B Premium: $_____

Medigap Premium: $_____

Part D Premium: $_____

Estimated Total Monthly Cost: $_____

Notes:

Option 2: **Medicare Advantage (Part C)**

Medicare Parts A and B with additional benefits

Original Medicare + Medigap + Part D

Medicare Advantage (Part C)

Plan Selected: _____

Carrier Selected: _____

Monthly Premium: $_____

Primary Care Copay: $_____

Specialist Copay: $_____

Maximum Out-of-Pocket: $_____

Prescription Coverage Included? □ Yes □ No

Hospital Indemnity $_____ (if available)

Estimated Monthly Cost

Part B Premium: $_____

Medicare Advantage Premium: $_____

Hospital Indemnity $_____

Estimated Total Monthly Cost: $_____

Notes:

Understanding Your PDP

How To Get Prescription Drug Coverage

Medicare drug coverage helps pay for your prescription drugs. Even if you don't currently take prescription drugs, you should consider Medicare drug coverage. This coverage is optional and is offered to everyone with Medicare. If you decide not to enroll when you become eligible, and you do not have other ***creditable prescription drug coverage** *(such as through an employer or union)*, you may incur a late enrollment penalty if you join a plan later. This penalty lasts for as long as you have Medicare drug coverage. You can only join, drop or switch during the AEP if you missed your IEP or SEP windows.

Each plan can vary both in cost and the specific drugs it covers, so it is important to determine coverage based on your needs.

3 Stages of Part D Drug Plans

Deductible Stage

If your plan has a deductible, you will pay the plan's negotiated drug cost up to the deductible limit. Once you reach the deductible limit, you will move to the initial coverage stage.

The deductible may not apply to all drug tiers.

Initial Coverage Stage

During this stage, the plan covers a portion of the cost, and you pay a copayment or coinsurance (your share of the cost) for each prescription. This phase ends when you reach the annual out-of- pocket threshold of $2,100 for calendar year 2026.

Once this is reached, you enter the catastrophic coverage stage.

Catastrophic Coverage Stage

Once your total out- of-pocket cost reaches $2,100, you enter the catastrophic coverage stage. The Part D plan pays 60% of drug costs, the drug manufacturer pays 20%, and Medicare pays 20%. You pay nothing for covered medications for the rest of the calendar year.

** Creditable prescription drug coverage is coverage that is expected to pay, on average, at least as much as Medicare Part D.*

Why Star Ratings Are Important

Medicare rates plans on their health and drug services. This allows you to easily compare plans based on performance. These ratings apply to Medicare Advantage (Part C) and Medicare prescription drug (Part D) plans.

Star ratings are based on factors that include:

- Feedback from members about the plans' service and care
- The number of members who left or stayed with their plans
- The number of complaints Medicare received about plans
- Data from doctors and hospitals that work with the plans

More stars mean a better plan and should equate to better care and customer service.

The number of stars show how well a plan performs.

★★★★★	**Excellent**
★★★★	**Above average**
★★★	**Average**
★★	**Below average**
★	**Poor**

Medigap Plan G versus Plan N Benefits	Plan G	Plan N*
Medicare Part A coinsurance and hospital costs *(up to an additional 365 days after Medicare benefits are used)*	✓	✓
Medicare Part B coinsurance or copayments	✓	✓
First three pints of blood	✓	✓
Part A hospice care coinsurance or copayment	✓	✓
Skilled nursing facility coinsurance	✓	✓
Medicare Part A deductible	✓	✓
Medicare Part B deductible	⃠	⃠
Medicare Part B excess charges	✓	⃠
Foreign travel emergency *(up to plan limit)*	✓	✓

**Plan N pays 100% of the costs of Part B services after deductibles, except for the copays for some office visits ($20) and some emergency room visits ($50) .*

2026 Part B IRMAA

The standard Medicare Part B premium for 2026 is $202.90. Most beneficiaries pay this amount. If your income is above Medicare's IRMAA thresholds, you'll pay an additional premium based on a two-year tax look-back. In other words, Medicare generally uses your 2024 tax return to determine your 2026 Part B and Part D IRMAA. If your income has decreased because of certain life-changing events—such as retirement, marriage, divorce, or the death of a spouse—you may be able to request a reduction in your IRMAA by filing Form SSA-44.

File individual tax returns	File joint tax returns w/ modified adjusted gross income	File married and separate tax return	IRMAA	You pay each month in 2025
$109,000 or less	$218,000 or less	$109,000 or less	$0	$202.90
Above $109,000 up to $137,000	Above $218,000 up to $274,000	Not applicable	$81.20	$284.10
Above $137,000 up to $171,000	Above $274,000 up to $342,000	Not applicable	$202.90	$405.80
Above $171,000 up to $205,000	Above $342,000 up to $410,000	Not applicable	$324.60	$527.50
Above $205,000 up to $500,000	Above $410,000 up to $750,000	Above $109,000 up to $391,000	$446.30	$649.20
$500,000 and above	$750,000 and above	$391,000 and above	$487.00	$689.90

2026 Part D IRMAA

File individual tax returns	File joint tax returns w/ modified adjusted gross income	File married and separate tax return	IRMAA	You pay each month in 2025
$109,000 or less	$218,000 or less	$109,000 or less	$0	Your plan premium
Above $109,000 up to $137,000	Above $218,000 up to $274,000	Not applicable	$14.50	Your plan premium + $14.50
Above $137,000 up to $171,000	Above $274,000 up to $342,000	Not applicable	$37.50	Your plan premium + $37.50
Above $171,000 up to $205,000	Above $342,000 up to $410,000	Not applicable	$60.40	Your plan premium + $60.40
Above $205,000 up to $500,000	Above $410,000 up to $750,000	Above $109,000 up to $391,000	$83.80	Your plan premium + $83.80
$500,000 and above	$750,000 and above	$391,000 and above	$91.00	Your plan premium + $91.00

Timeline		
To Do/Complete	Date	Completed
		☐
		☐
		☐
		☐

Notes:

Understanding IF and WHEN You Should Enroll in Medicare

Enrollment Periods Overview

Understanding your unique situation and the implications of your Medicare decision is essential! The timing of your enrollment can significantly impact your coverage and costs.

You become eligible for Original Medicare at age 65 — or earlier if you have a disability, end-stage renal disease (ESRD) or amyotrophic lateral sclerosis (ALS). If you're already receiving Social Security benefits or railroad retirement benefits, you'll automatically be enrolled in Parts A and B.

If you haven't started receiving benefits yet, you'll need to actively enroll. Upon turning 65, there is an important enrollment period. Timing this correctly is critical. Missing this window without other creditable coverage may result in a late enrollment penalty that could apply for as long as you have Part B.

Initial Enrollment Period (IEP)

When you turn 65, your IEP begins. This period starts three months before your birth month and ends three months after.

Special Enrollment Period (SEP)

Special Enrollment Periods (SEPs) let you enroll in or change Medicare coverage after certain qualifying events. Examples include losing other coverage, moving, plan changes, qualifying for Extra Help or Medicaid, entering or leaving an institution, FEMA-declared disasters, or gaining or losing eligibility for a Special Needs Plan (SNP). If one of these events applies, you may qualify for an SEP.

Annual Enrollment Period (AEP)

If you enroll in a Medicare Advantage (MA), Medicare Advantage plus Part D (MA-PD) or Prescription Drug Plan (PDP) from Oct. 15 to Dec. 7, coverage will start on Jan. 1. During this time, you can join, drop or switch plans. During AEP you can:

- Change from one MA, MA-PD, or PDP plan to another
- Switch from Original Medicare to an MA or an MA-PD plan

General Enrollment Period (GEP)

The General Enrollment Period (GEP) is available for individuals who did not enroll in Medicare Part B during their Initial Enrollment Period (IEP) and do not qualify for a Special Enrollment Period (SEP). The GEP runs from January 1 through March 31 each year, with coverage beginning the month after enrollment. A late enrollment penalty may apply if you delayed enrollment without qualifying for an SEP.

For the most current information about Medicare enrollment periods, eligibility, and effective dates, visit Medicare.gov: https://www.medicare.gov/enrollment-periods

Understanding IF and WHEN You Decide to Enroll in Medicare

Even if you have employer group coverage, you may need to sign up for Medicare. Keep in mind that employer group size, benefit design and work status all make a difference.

Employer Groups with Fewer than 20 Employees

If you are an active employee and over the age of 65, Medicare becomes your primary health coverage. You:

- Will need to enroll in Medicare Parts A and B as your primary insurance coverage
- Can schedule a consultation with a Transitions Benefit Group advisor to assist you in transitioning to Medicare

Medicare Enrollment

Employer Groups with 20 or More Employees

If you or your spouse are actively employed and over the age of 65, your employer plan is your primary health coverage if you or your spouse have a qualified health plan. You:

- May defer Medicare enrollment until you or your spouse are no longer an active employee or covered by the employer plan. This may qualify you for an SEP
- May want to do an annual cost-benefit analysis during Open Enrollment to compare your employer plan and to confirm your drug coverage is creditable

Special Employer Coverage Situations

Special Employer Coverage Situations

COBRA Coverage

Important: COBRA is **not considered active employer coverage** for Medicare enrollment purposes.

If you are age 65 or older and your employment ends, electing COBRA generally **does not allow you to delay enrollment in Medicare Part B.**
If you qualify for Medicare because your employment ends:

- Enroll in Medicare during your Special Enrollment Period (SEP)
- Do not rely on COBRA as a substitute for Medicare
- Waiting until COBRA ends may result in:
  - A lifetime Part B late enrollment penalty
  - A gap in medical coverage

Remember: COBRA coverage may continue after Medicare begins, but Medicare generally pays first. Delaying Medicare enrollment because you elected COBRA generally does not qualify you for a Special Enrollment Period (SEP) when COBRA ends and may result in a late enrollment penalty.

Retiree Health Plans

Many employers offer retiree medical plans; however, **most retiree plans require enrollment in Medicare Parts A and B when you become eligible.**

Retiree coverage is **not considered active employer coverage** for Medicare enrollment purposes.
Before delaying Medicare, verify:

- Does the retiree plan require Medicare enrollment?
- Is Medicare primary?
- Does the retiree plan wrap around Medicare or replace it?

Every employer plan is different.

Severance Packages and Medicare

Severance pay and continued employer-paid premiums **do not necessarily mean you are still an active employee.**

The key question is:
Does the severance pay primary of does it require Medicare?

If employment has ended:

- Your Medicare Special Enrollment Period generally begins when active employment or active group health coverage ends.

Special Employer Coverage Situations

Special Employer Coverage Situations - Continued

- Employer-paid COBRA or continued health benefits under a severance agreement usually **do not extend your Medicare enrollment window.**
- Before making any decision, verify with Human Resources:
- Your official employment termination date
- When active coverage ends
- Whether coverage after termination is active employee coverage or COBRA

Domestic Partners and Medicare

Employer group health plans may allow domestic partners to remain covered, but Medicare does not recognize domestic partner status in the same way employer plans do.

Important considerations include:

- A domestic partner's active employment generally does not create a Medicare Special Enrollment Period for the other partner.
- Unlike many legally married spouses, domestic partners cannot always rely on the working partner's employer coverage to delay Medicare enrollment.
- Rules vary depending on the employer plan and Medicare eligibility.

Veterans Affairs (VA) and TRICARE

Veterans may receive health care through the Department of Veterans Affairs (VA) or TRICARE. These programs coordinate differently with Medicare and should not be assumed to replace Medicare enrollment.

- VA benefits generally cover care received at VA facilities and are separate from Medicare.
- Individuals who want coverage outside the VA system should carefully evaluate whether enrolling in Medicare Part B is appropriate.
- TRICARE beneficiaries generally must enroll in Medicare Parts A and B when eligible to maintain TRICARE coverage (with certain exceptions).

Because eligibility and coordination rules vary, these individuals should receive individualized guidance before delaying Medicare enrollment.

Because these situations are complex, individual guidance is recommended before delaying Medicare enrollment.

Your HSA and Medicare

If you choose to delay Medicare enrollment because you're still working and want to continue contributing to your HSA, you should stop HSA contributions at least six months before applying for Medicare. In many cases, Medicare Part A is retroactive for up to six months, but never earlier than the first month you were eligible for Medicare—generally the month you turned 65.

For example, if you retire at 65 and three months part A will start on the first day of your birth month rather than at 64 and 9 months.

Important Note: If you apply for Social Security benefits, you will be automatically enrolled in Medicare. Once you apply for Social Security benefits, you cannot decline Part A enrollment.

If you have any questions, your dedicated advisor is here to help

We are here to help you throughout this journey. Navigating Medicare can be complex, but we can guide you through the process and assist you in making informed decisions about your health coverage.

Your organization understands that your decisions need to be carefully weighed, applied and implemented.

You have the resources to support your decisions today, tomorrow and in the future.

Important: This guide is provided for educational purposes and summarizes common Medicare rules and enrollment situations. It is not intended to replace official Medicare publications or personalized advice. Medicare rules, premiums, deductibles, and enrollment requirements are subject to change.

If you have questions about your specific situation or need clarification on any topic discussed in this guide, we encourage you to contact our office first. We're happy to help you understand your options and determine how Medicare rules may apply to your circumstances. For complete and up-to-date information, refer to the current ***Medicare & You*** handbook at www.medicare.gov/medicare-and-you or call **800-MEDICARE (800-633-4227)**.

TRANSITIONS Benefit Group

Planning for the Future Will Help:

- **Relieve stress**
- **Alleviate financial burdens for you and your family**

If we can't assist you directly, we'll refer you to our support network.

Post Retirement Expense and Planning	Caregiver Assistance	Hospital Indemnity (HI)
Long-Term Care (LTC)	Medical Expenses	Social Security Consultation
Annual MAPD Review	Financial Consultation	Ongoing Client Support
Affordable Care Act (ACA) Support	Final Expense	Dental and Vision Benefits

Together, we can create a well-informed plan for your future. Speak with a licensed insurance agent today: **(800) 936-1405.**

Learn about us and how we can serve you!

SCAN NOW

Important disclosures about Medicare plans:
Medicare has neither endorsed nor reviewed this information. We are not connected or affiliated with any United States Government or State agency. We do not offer every plan available in your area. Any information we provide is limited to those plans we do offer in your area. Please contact Medicare.gov or 800-MEDICARE (800-633-4227) to get information on all your options.

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