

# Medicare: When to sign up

Meagan Dow, CFA®, CFP® ▪ Senior Strategist  
Client Needs Research



Why is it important to know the deadlines for enrolling in Medicare? Because those who delay signing up can potentially face lifelong penalties as well as gaps in coverage.

## This report will cover when to sign up for:

- **Parts A and B**
- **Part D** — For those choosing Original Medicare\*
- **Medigap** — For those choosing Original Medicare
- **Medicare Advantage (Part C)** — For those choosing Medicare Advantage

\*Or a Medicare Advantage plan without prescription drug coverage.

## This is intended for education purposes only.

Edward Jones does not assist with enrolling in health insurance plans or policies. Additionally, this isn't intended to cover those who are eligible for Medicare before age 65 or those with end-stage renal disease.

## If you miss your Initial Enrollment Period



**Medicare penalties can substantially increase your cost for Medicare if you don't qualify for a special enrollment period (covered later).**

	Penalty	Example if you wait 3 years
<b>Part A</b>	While most people have premium-free coverage, if you pay a premium for Part A, you could be subject to penalties up to 10% of your premium, paid for twice the number of years you didn't sign up.	You could pay 10% more for Part A premiums for six years.
<b>Part B</b>	There could be a 10% premium penalty for each year you are eligible but not enrolled, paid for as long as you are enrolled in Part B.	You could pay 30% more for Part B premiums for the rest of your life.
<b>Part D</b>	There could be a late-enrollment penalty of 1% of the national base premium (\$34.70 for 2024) for every month you are eligible but not enrolled, paid for as long as you are enrolled in Part D.	You could pay 36% more for Part D premiums for the rest of your life.



**Gaps can occur if Medicare would be considered the primary payer and you don't have coverage.**

As an example, if you're still working and getting health insurance from your employer, but that employer has fewer than 20 employees, Medicare is considered the primary payer. If you don't sign up for Parts A and B when first eligible, you could be on the hook for the expenses that Medicare would otherwise cover.



**Delays in coverage could mean going without health insurance when you need it.**

- **Parts A and B:** You'll need to wait for the General Enrollment Period (Jan. 1 – March 31 each year) to sign up. Coverage will start the month after you enroll.
- **Part D and Medicare Advantage:** You'll need to wait for the annual Open Enrollment Period (Oct. 15 – Dec. 7 each year) to sign up. Coverage will start Jan. 1 of the following year.
- **Medigap:** You can enroll in a Medigap policy at any time, but if you miss your window for guaranteed issue rights, in most states you will have to answer questions about your health and could face higher premiums or be declined for coverage.

## Parts A and B

When you should sign up for Parts A and B will depend on whether you're receiving Social Security benefits, the type of health insurance you have and whether you (or your spouse) are still working.

Social Security status	Type of health insurance you have	When to sign up for A & B
You're receiving Social Security benefits at least four months before you turn 65	<ul style="list-style-type: none"> <li>Any (doesn't matter what type)</li> </ul>	You'll be enrolled automatically. <sup>1</sup>
You aren't receiving Social Security benefits at least four months before you turn 65	<ul style="list-style-type: none"> <li>No health insurance</li> <li>Medicaid<sup>2</sup></li> <li>Health insurance from an employer with fewer than 20 employees</li> <li>Retiree health insurance (even if provided by an employer with 20 or more employees)</li> <li>COBRA</li> <li>Marketplace health insurance</li> <li>TRICARE for Life coverage</li> <li>VA benefits (if you want to enroll in Medicare, which we generally recommend)</li> <li>FEHB (if you want to enroll in Medicare)</li> </ul>	You should sign up in the three months before turning 65.
	<ul style="list-style-type: none"> <li>Health insurance from a current employer with 20 or more employees (you're actively working)</li> <li>Health insurance from a working spouse at an employer with 20 or more employees</li> </ul>	You can delay signing up without penalty (but may not want to).

<sup>1</sup> Residents of Puerto Rico are not automatically enrolled in Part B; they must apply.

<sup>2</sup> Check with your state, as some states will sign you up automatically if you're on Medicaid. Take time to understand whether your Medicaid coverage will change after you're eligible for Medicare. You may also want to explore cost savings programs that might be available to you at [medicare.gov/basics/costs/help](https://www.medicare.gov/basics/costs/help).



## If you will be enrolled automatically

If you're collecting Social Security at least four months before you turn 65, you'll be signed up for Parts A and B automatically when you become eligible at age 65. Keep in mind that you're not automatically enrolled in Part D, Medigap or Medicare Advantage. You'll need to sign up for those (either Part D and Medigap, or Medicare Advantage) separately.

### What if I'm receiving Social Security benefits but don't want to enroll in Medicare?

If you qualify for premium-free Part A, the only way to unenroll is to use Form SSA-521 to withdraw your application for Social Security benefits, which can only be done once per lifetime and must be done within 12 months of receiving Social Security benefit approval. You'll have to repay the government for any benefits received, which includes your own Social Security payments, spousal benefits paid to your spouse, money withheld for Medicare premiums and any medical expenses that were paid by Medicare. For most people, even if this is an option, it's not worth the inconvenience and cost.

Unenrolling from Part B (and Part A if you pay a premium) is relatively straightforward. You can contact the Social Security Administration or follow the instructions in the Medicare welcome packet that you receive. Keep in mind that if you unenroll and don't otherwise qualify for a special enrollment period, you could be subject to penalties and gaps in coverage later.

## If you should sign up in the three months before turning 65

Many people will want to sign up for Parts A and B during the Initial Enrollment Period to avoid penalties or gaps in coverage. This is a seven-month period beginning three months before your birthday month and ending three months after your birthday month. We recommend signing up in the first three months (before your birthday month) so coverage begins as soon as possible. You'll sign up through the Social Security Administration.

### Initial Enrollment Period

As an example, if you were born on May 15, your Initial Enrollment Period would look like this:

Month of enrollment	February	March	April	May	June	July	August
Part A*	Coverage starts May 1						
Part B	Coverage starts May 1			June 1	July 1	Aug. 1	Sept. 1

\*This applies to premium-free Part A. If you pay premiums for Part A, coverage will start at the same time Part B coverage begins.

If you were born on the first of the month, Medicare will effectively treat you as if you were born the previous month.

## If you can delay signing up

If you're working and get insurance through an employer with 20 or more employees (or your spouse is working and you get insurance through their employer with 20 or more employees), you'll likely have the option of delaying enrollment in Parts A and B without penalty or gaps in coverage.

You should be able to verify this with your human resources/benefits department. Once you retire (or your spouse does, if that's where you're getting coverage), you'll have an eight-month special enrollment period to sign up for Parts A and B.

Even though you don't need to, you may want to sign up for Parts A and/or B to either complement or replace your employer coverage. If you're not able or don't want to contribute to a Health Savings Account (HSA) and you qualify for premium-free Part A, it's common to at least enroll in that. You can use your Initial Enrollment Period to sign up. If you miss that, you can use the General Enrollment Period (Jan. 1 – March 31 each year).

## HSAs and Medicare

Once you receive coverage from any part of Medicare, you will no longer be eligible to contribute to an HSA. An HSA can be used for many healthcare-related expenses in retirement, and you can continue to use the funds even after you can no longer contribute. If you can delay Medicare without penalty and contributing to an HSA is important to you, you may want to consider the benefits of signing up versus the inability to continue contributing to your HSA.

Also keep in mind that when you enroll in Part A after age 65, coverage is backdated by six months from when you apply (although no sooner than the month you turn 65). And applying for Social Security after age 65 will automatically enroll you in Part A. This means you can receive coverage and lose eligibility to contribute to an HSA up to six months before you even apply. You can consult with a tax professional to determine the amount you're eligible to contribute in the year (or year before) you sign up for Medicare.

## Special enrollment periods

Special enrollment periods are not always the same length of time. Losing coverage from a large employer will qualify you for an eight-month special enrollment period for Parts A and B, but only two months for Part D and Medicare Advantage. Pay careful attention to these dates and keep in mind it's generally best to sign up as early as possible.

## Part D, Medigap and Medicare Advantage (Part C)

Whether to sign up for Part D, Medigap and/or Medicare Advantage will depend on what coverage you have outside Parts A and B, and for most people will depend on whether you want Original Medicare or Medicare Advantage. For more information on this decision, see our report, "Demystifying Original Medicare and Medicare Advantage."

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### If you want to enroll in Part D

When you should sign up for Part D will depend on whether you have prescription drug coverage that is considered creditable coverage, which means as good as or better than the minimum requirements for a Part D prescription drug plan. To sign up, you'll apply with the insurance company offering the plan of your choice.

- If you don't have creditable coverage, you should sign up during your Initial Enrollment Period (see above) to avoid penalties and delays in coverage.
- If you have creditable coverage, you will qualify for a special enrollment period that lasts two months after you lose creditable coverage.

Most employer-provided drug coverage will be creditable, and group plans are required to send out an annual notice letting you know whether your drug coverage is creditable. Additionally, when you lose creditable coverage, your plan should send you a certificate of creditable coverage, which your Part D insurance company may ask for so you can avoid late enrollment penalties.



## If you want to enroll in Medigap

If you want to enroll in a Medigap policy, you'll apply with the insurance company offering the policy of your choice.

If you're receiving Parts A and B when you turn 65 and don't have additional insurance to cover the gaps (or would otherwise prefer a Medigap policy), you should use your Medigap Open Enrollment Period, which starts the first month you have Medicare Part B and you're 65 or older, and lasts for six months. This is a once-in-a-lifetime period that offers guaranteed issue rights.



### The importance of guaranteed issue rights

Normally when you apply for a Medigap policy, you'll have to answer questions about your health and could be denied coverage or charged higher premiums. Guaranteed issue rights mean you can skip these questions and:

- Medigap policies must cover all your pre-existing health conditions.
- They can't charge you more because of past or existing health problems.
- They can't deny you coverage.

If you have employer (working, retiree or COBRA) or union coverage and want to delay enrolling beyond your Medigap Open Enrollment Period, you will qualify for guaranteed issue rights for 63 days after you lose coverage or receive notice that your coverage is ending, whichever is later.

New York, Connecticut and Massachusetts also provide additional guaranteed issue rights periods when you can enroll for the first time in a Medigap policy. Some Medigap providers in Vermont also have more generous guaranteed issue enrollment periods. If you live in one of those states and want to delay enrolling, work to understand what options may be available.<sup>1</sup>

If you miss those windows and don't otherwise qualify for guaranteed issue rights,<sup>2</sup> you can apply for a Medigap policy at any time, but in most states, you'll be subject to answering questions about your health that could result in higher premiums or even being denied coverage. It's extremely beneficial to avoid this process (known as underwriting) by taking advantage of your guaranteed issue rights.

<sup>1</sup> State laws can change. Be sure to verify your state's rules and understand that they can be changed.

<sup>2</sup> You can learn about other situations in which you'll qualify for guaranteed issue rights at [medicare.gov/health-drug-plans/medigap/ready-to-buy](https://www.medicare.gov/health-drug-plans/medigap/ready-to-buy) (click on the "What are guaranteed issue rights?" link).

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## If you want to enroll in Medicare Advantage (Part C)

If you want to enroll in a Medicare Advantage policy, the first thing to keep in mind is that you must enroll (and stay enrolled) in Parts A and B to sign up for a Medicare Advantage plan. Then, to sign up for Medicare Advantage, you'll apply with the insurance company offering the policy of your choice.

- If you want to enroll when you turn 65, you should sign up during the same Initial Enrollment Period that applies to Parts A and B (see above).

- If you have employer (working, retiree or COBRA) or union coverage and want to delay enrolling beyond your Initial Enrollment Period, you will qualify for a special enrollment period that lasts two months after you leave that coverage.

If you miss those windows and don't otherwise qualify for a special enrollment period,\* you'll be able to sign up during the annual Open Enrollment Period (Oct. 15 - Dec. 7), with coverage beginning the following Jan. 1.

\*You can learn about other situations in which you'll qualify for a special enrollment period at [medicare.gov/basics/get-started-with-medicare/get-more-coverage/joining-a-plan/special-enrollment-periods](https://www.medicare.gov/basics/get-started-with-medicare/get-more-coverage/joining-a-plan/special-enrollment-periods).

Medicare can be confusing, and you may want additional assistance as you work through enrollment. If you need help with any of these steps, there are two resources we suggest for assistance:

- **Your state's State Health Insurance Assistance Program.** This is a free government-sponsored resource to help with Medicare-related questions. Find yours at [shiphelp.org](https://shiphelp.org).
- **A licensed Medicare insurance agency/broker.** We suggest looking for someone independent who sells both Medigap and Medicare Advantage plans and ensuring they don't favor one company's products.