

MEDICARE PENALTIES STICK FOREVER

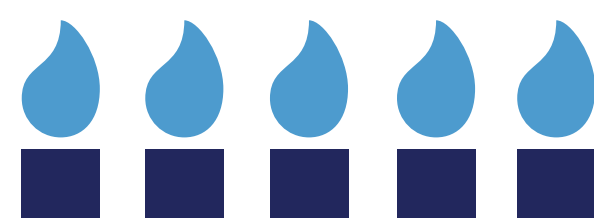
Are your clients turning 65 soon? Help them avoid costly late-enrollment mistakes.



WHY SHOULD YOU CARE ABOUT MEDICARE LATE-ENROLLMENT PENALTIES?

Because these aren't one-time penalties. Assessed every month for a client's lifetime, they can erode the retirement plan you crafted.

CLIENTS NEVER GET RID OF THESE MONTHLY PENALTIES



Everyone's Initial Enrollment Period — and late-enrollment deadline — is different, because it depends on their birthdays.

BUT EVERYONE SHOULD BE AWARE OF TWO PENALTIES:

MEDICARE PART B
Medical Insurance

MEDICARE PART D
Prescription
Drug Coverage

In most cases, your clients should sign up for both Medicare Part B and Part D when first eligible, unless their primary coverage* allows them to opt out or sign up later.

*Such as their employer-provided health insurance plan

FICTIONAL (but possible) SCENARIOS:

PART B

TOM

- Didn't sign up for **Medicare Part B** when turned 65 because he didn't think he needed it
- Decided **four full years later** to enroll in Medicare Part B



TOM'S MONTHLY PART B PREMIUM

\$352.20

TOM'S MONTHLY PART B LATE-ENROLLMENT PENALTY

+
\$54.20

TOM'S ACTUAL, MONTHLY PART B PREMIUM

\$406.40¹

Tom's total penalty paid if he lived another 15 years²



\$9,756

PART D

MARY

- Didn't sign up for **Medicare Part D** when she turned 65 because she was not on any prescriptions and didn't think she needed it
- Decided to sign up **13 months after** her Initial Enrollment Period ended



MARY'S MONTHLY PART D PREMIUM

\$25

MARY'S MONTHLY PART D LATE-ENROLLMENT PENALTY

+
\$4.32

MARY'S ACTUAL, MONTHLY PART D PREMIUM

\$29.32¹

Mary's total penalty paid if she lived another 15 years²



\$776.65

SO WHAT DO YOU DO TO HELP?

Encourage your client to contact



**Medicare
BackOffice**[®]
by *Insuractive*

1.877.385.8083

www.MedicareBackOffice.com/consumer

A Licensed Insurance Agent can help them navigate whether they should sign up immediately or if they can delay coverage without penalty.

¹Centers for Medicare and Medicaid Services rounds to the nearest \$.10

²Does not reflect changes in premium each year. For rough illustrative purposes only.