

EMPLOYEE BENEFIT UPDATES.....

MEDICARE & HSA CONTRIBUTIONS

The 2017 Medicare & You Handbook is now available online at <https://www.medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf>. There are a couple of updates regarding Medicare and HSA contributions:

- “Premium-free Part A coverage begins **6 months** back from the date you apply for Medicare Part A, Social Security/Rail Road Benefits (RRB), but no earlier than the first month you were eligible for Medicare” (normally your 65th birthday).
- “To avoid a tax penalty, you should **stop** contributing to your H.S.A. at least **6 months before you apply for Medicare.**”
- “If you’d like to continue contributing to your HSA, you should **not** apply for Medicare, Social Security or RRB.”

Example - You delay signing up for Medicare when you turn 65 because you continue to work and remain covered under group health insurance (HDHP/HSA). You plan to retire June 2017 and sign up for Medicare for July 1st. You should stop contributing to your HSA 6 months before you enroll in Medicare Part A and Part B (or apply for Social Security benefits).