



# How Medicare Enrollment Impacts Your HSA Plan

Many people covered under an employer health plan are enrolled in a High Deductible Plan (HDHP) tied to a Health Savings Account (HSA). Having an HSA allows you to contribute funds, on a tax-free basis, to pay for qualified health expenses as long as you meet certain IRS requirements. If you are nearing Medicare eligibility, it is important that you plan ahead to avoid any unintended consequences.

## HSA Restrictions

You cannot contribute to your HSA while enrolled in Medicare Part A and/or Part B. You can continue to withdraw from your Health Savings Account for any qualified medical expenses, including any Medicare deductibles, co-payments, co-insurance, or premium payments.

## When to Stop Making Contributions

If you delay Medicare when you are first eligible because you are still working, you should stop making HSA contributions six months prior to enrolling in Medicare and collecting any Social Security Benefits. This is important in order to ensure you avoid possible tax penalties because when you apply for Medicare Part A coverage it can be retroactive for up to six months as long as you were eligible for Medicare during that time period.

## Primary Vs. Secondary Employer Plans

Your employer plan being primary or secondary could impact your decision to delay Medicare. If you are considering a delay in your Medicare enrollment because you have employer health coverage, it is crucial to understand how your insurance works with Medicare. For details about your specific plan, ask your manager or Human Resources professional.

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