



Medicare Misinformation: What Brokers Need to Know About Employee Transitions at 65

Employees approaching age 65 often misunderstand how and when Medicare fits into the picture. Some think they can stick with their group health plan and worry about Medicare later. Others think they have to enroll the day they turn 65. Neither assumption is always right.

The confusion leads to real problems: penalties, denied claims, lost HSA eligibility, or gaps in coverage. And in many cases, it's avoidable.

The issue isn't just employee confusion. It's that most employers don't have a process to help their workforce understand how group health coverage and Medicare interact. HR teams aren't trained to explain it. Most employees don't know what questions to ask. That leaves a lot of people vulnerable to making bad choices.

For brokers and individuals alike, the confusion doesn't just create risk during the coverage overlap. It often leads to costly cleanup after employees exit group plans.

This is where brokers can make a difference.

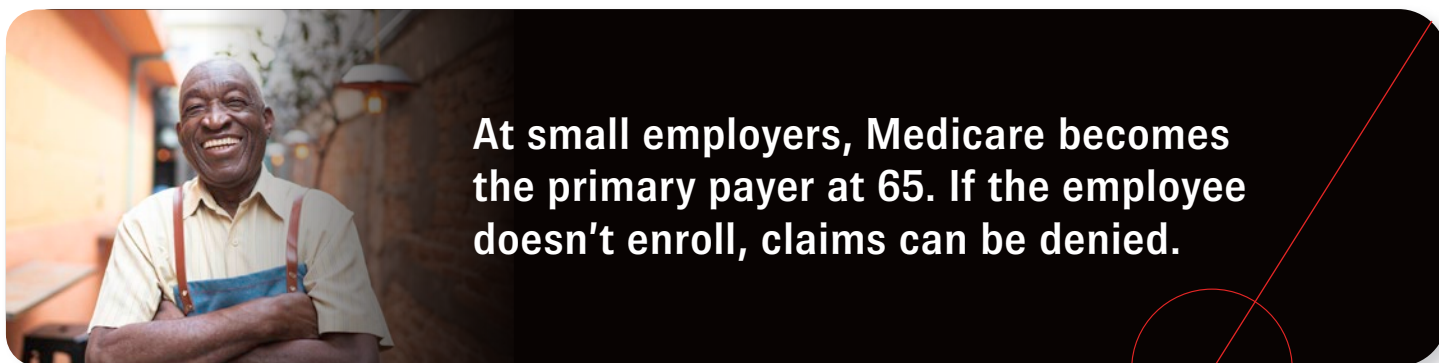
**Many employees don't realize staying
on a group plan past 65 can trigger
penalties or tax issues.**



WHAT GOES WRONG

When a working employee turns 65, their Medicare options depend on the size of the company and the structure of their current health plan. For example, at employers with fewer than 20 employees, Medicare becomes the primary payer when an employee reaches 65. That means the group plan only covers what Medicare doesn't. If the employee hasn't enrolled in Medicare, some claims may be denied altogether.

At larger companies, employees can delay Medicare Part B as long as they're enrolled in a group plan that counts as creditable coverage. But they still need to understand the trade-offs. If they sign up for Medicare Part A and stay on the group plan, they lose the ability to contribute to an HSA. Many don't find that out until tax season, when they face penalties and back taxes.



Drug coverage brings its own challenges. If the employer's plan doesn't qualify as creditable under Medicare's rules and the employee skips Part D, they could end up paying higher premiums for the rest of their life.

The rules are nuanced. The consequences of getting them wrong are expensive and long-lasting.

THE EDUCATION GAP

Most employees nearing 65 don't know when they're supposed to enroll or what kind of coverage coordination applies to them. According to a recent MedicareGuide.com survey, nearly one-third of people approaching Medicare age are unclear on the timing rules or how to avoid penalties. And fewer than 40 percent of employers offer any kind of formal Medicare education.

Brokers can help fill that gap. Not by offering Medicare products, but by helping employers and employees get clear on how their existing benefits align or don't with Medicare requirements.



HOW BROKERS CAN STEP IN

This is an area where brokers can bring real value without overcomplicating the message. The goal isn't to turn every broker into a Medicare specialist. The goal is to help employers avoid preventable mistakes by making Medicare education part of their standard benefits process.

Here's how to approach it:

- **Start Conversations Early**

- Build a process to flag employees turning 64. Don't wait until their birthday is around the corner. A simple reminder from HR or a short explainer on what to consider can prompt employees to ask questions and plan ahead.

- **Create a Go-To Medicare Resource**

- Help employers build a basic Medicare education toolkit. This might include a one-pager, a short slide deck, or a live session with a Medicare consultant. Keep it simple. Focus on the choices employees need to make and the deadlines that matter.

- **Address HSA Eligibility Clearly**

- This is one of the most common pain points. Many employees sign up for Medicare Part A at 65 without realizing it disqualifies them from contributing to an HSA. That mistake often leads to tax issues. Include this message in your standard 65-and-older education.

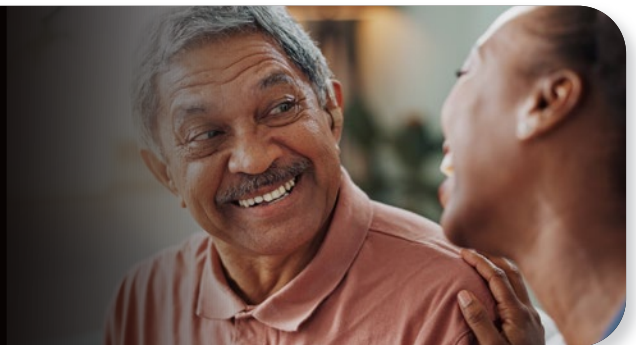
- **Clarify the Rules by Employer Size**

- HR teams don't always understand that the coordination rules change based on whether the company has 20 or more employees. Help them spell this out clearly in employee materials. Make sure they know how their plan fits into Medicare's requirements.

- **Know When to Loop in a Medicare Pro**

- In some cases, a licensed Medicare advisor is the right next step. Whether it's a referral partner or an in-house contact, make it easy for the employer to offer that option when needed. Your role is to bridge the gap, not fill every seat.

**Start the Medicare conversation at 64.
A five-minute heads-up now prevents
a financial mess later.**



- **Get HR Teams Comfortable with the Basics**

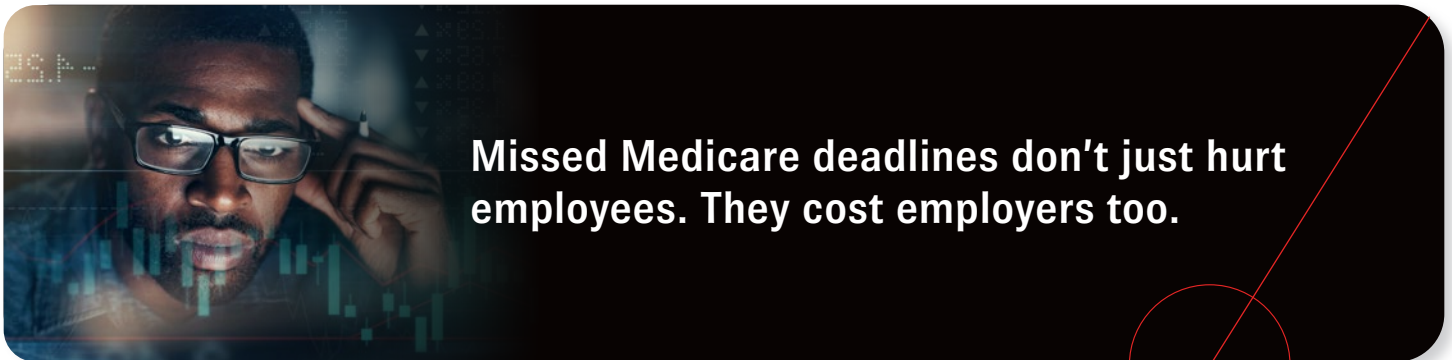
- Most HR professionals aren't trained on Medicare coordination, and they're already stretched thin. Give them the tools to handle the first wave of questions, and be ready to support when the conversation needs more depth. Even a short FAQ or checklist can go a long way.

WHY IT MATTERS NOW

More people are working past 65. Some are delaying retirement for financial reasons, others by choice. That means more employees are dealing with Medicare decisions while still on group coverage. And the volume of mistakes is only going up.

For employers, these mistakes cause frustration and financial exposure. For brokers, they present a chance to bring real clarity to a murky part of the benefits landscape.

This isn't a niche issue. It affects every employer with older workers. Helping them navigate this transition isn't just a value-add. It's risk prevention.



Missed Medicare deadlines don't just hurt employees. They cost employers too.

BOTTOM LINE

Medicare transition education shouldn't be an afterthought. It should be part of the standard playbook for any employer with aging employees. And brokers should be leading that effort.

By making Medicare a routine part of the benefits conversation, brokers can protect clients from compliance headaches, reduce coverage issues, and deliver a smoother experience for employees. That's how you stand out. That's how you build trust.

We regularly work with individuals who are surprised to learn they missed key Medicare deadlines because no one explained the rules when they were still working. By the time we see them, the damage is often done and avoidable.

At CRC Benefits, we're here to help you bring those conversations forward. Whether you need tools to educate HR teams, guidance on common Medicare mistakes, or access to trusted referral partners, our team has your back.

Reach out to your local CRC Benefits team to get started. We'll help you put a plan in place that protects your clients and positions you as the go-to advisor for what's next.

CONTRIBUTORS

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