

# MEDICARE PENALTIES STICK FOREVER

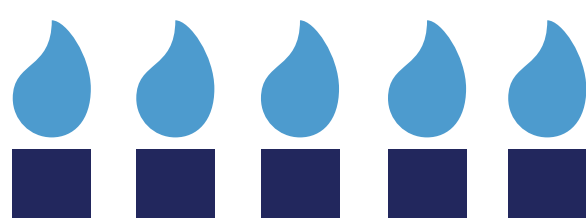
Are your clients turning 65 soon? Help them avoid costly late-enrollment mistakes.



## 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

\$243.60

TOM'S MONTHLY PART B LATE-ENROLLMENT PENALTY

+  
\$48.72

TOM'S ACTUAL, MONTHLY PART B PREMIUM

\$292.30<sup>1</sup>

Tom's total penalty paid if he lived another 15 years<sup>2</sup>



**\$8,769.60**

### 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

+  
\$4.40

MARY'S ACTUAL, MONTHLY PART D PREMIUM

\$29.40<sup>1</sup>

Mary's total penalty paid if she lived another 15 years<sup>2</sup>



**\$792**

## SO WHAT DO YOU DO TO HELP?

Encourage your client to contact



**Medicare  
BackOffice**<sup>®</sup>  
by *Insuractive*

**1-877-385-8083**

[www.MedicareBackOffice.com/consumer](http://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.

<sup>1</sup>Centers for Medicare and Medicaid Services rounds to the nearest \$.10

<sup>2</sup>Does not reflect changes in premium each year. For rough illustrative purposes only.