

Social Security and Medicare Enrollment Basics

Amongst all of the cards in the mail and Facebook greetings you received did you notice something missing around your last birthday?

Many people don't realize it but the Social Security Administration (SSA) is no longer mailing out annual statements detailing your history and potential benefits. Certainly this was a cost saving decision and one that probably makes sense given the widespread access to technology that exists today. That being said, the announcement of this decision went widely unnoticed so, like many things with social security, people simply don't know.

The good news is that you can still access your personal social security information, including more detailed benefits estimates, by setting up an online account. Simply go to www.socialsecurity.gov/myaccount to do so.

There are a number of other services that the SSA is now automating or making available on-line. And while these technologies may make things more convenient, that doesn't do you any good if you don't know when you should be enrolling or even what programs to take advantage of.

Social security and Medicare are much more complex programs than you might think and in future columns I will try to address some of the lesser known things about them. For today though, let's start with a few basic points that everyone should know as they prepare for their golden years.

First, and perhaps most importantly, Medicare is not an automatic program.

When you become eligible you need to enroll to actually become covered under the plan. Unlike social security retirement benefits, the eligibility age is not fluctuating – most people become eligible at age 65, even if they are still working.

Medicare is also not just one decision. There are actually several parts to Medicare coverage that you need to make a decision about.

Medicare Part A is very generally called “hospital” coverage and is provided to you without a premium (as you paid for it during your working years).

Medicare Part B very generally covers doctor's visits and outpatient care. There is a monthly premium for this coverage and the cost can vary depending on your personal circumstances. It is very important in my opinion to elect Part B coverage and to do so immediately. Generally speaking, your Medicare coverage is incomplete without it and most Medicare supplement policies will require that you have it. You can add the coverage down the road but there can be a premium penalty for delaying enrollment.

There is an exception to the Part B enrollment rules if you have creditable health insurance from another source, such as an employer's group plan. Just make sure you clarify the rules of your plan as some expect to automatically become a supplement when you turn 65.

You can enroll in Medicare as early as three months prior to your 65th birthday. Enrollment can be done in a number of ways but for most people the easiest way to enroll in Parts A & B is to apply on-line at www.socialsecurity.gov/medicareonly/

Medicare Part D provides some prescription drug coverage. Unlike Parts A & B, Part D is facilitated by private insurance companies so there are a number of options to choose from, all with different structures, formulary lists and costs. The SSA provides a very good tool for comparing and selecting the plan that is right for you. Go to www.medicare.gov/find-a-plan/ and enter your specific information, including your pharmacy of choice and any medications that you currently take. You will be provided with a list of plan options along with a customized estimate of what your annual premium and copayments will be. Once you select the plan you want you can enroll right from a link on the website.

Even if you are not currently taking any prescriptions I strongly recommend having prescription drug coverage.

In addition to Medicare I advocate that you also have a supplemental health insurance policy. There are changes coming in the health insurance industry but historically there has been a six month open enrollment window following your initial Medicare eligibility date. You can use the same website as above for comparing Part D options to look at options for supplements.

Deciding when to begin receiving social security income benefits can be quite involved (and will be the subject of a future column) but once the decision is made it is important to know that it can take some time from the date of application for the payments to actually start. You can apply up to four months prior to when you wish to start receiving benefits and this too can be done on-line at www.socialsecurity.gov/retirement.

If you have questions or are not comfortable applying on-line you can visit the SSA in person at a local office (listed in the phone book) or you can call them at 800-772-1213.

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