

Medicare

Frequently Asked Questions

<p>1. Will UTC allow me to postpone signing up for Medicare and stay on the UTC health plan?</p>	<p>Yes. UTC allows employees to continue coverage in the UTC Medical Plan and defer enrollment in Medicare until termination/retirement.</p>
<p>2. If I'm still employed and have health insurance through UTC, is it a requirement that I enroll in Medicare?</p>	<p>If you are Medicare-eligible, still working and covered by UTC's HDHP, you may consider postponing your Medicare enrollment. You should get a letter in the mail from Medicare before your 65th birthday explaining the rules to avoid late entrance penalties. Your UTC HDHP coverage is considered "creditable" for Medicare Part D (prescription coverage). Medicare requires creditable prescription coverage in order to avoid late enrollment penalties.</p>
<p>3. Can I enroll in Medicare and keep my UTC health coverage?</p>	<p>Yes. If you enroll in Medicare, the UTC Medical Plan will be the primary payer and Medicare is the secondary payer.</p>
<p>4. How do I enroll in Medicare?</p>	<p>To enroll in Medicare, contact your Social Security office for a Medicare application and enrollment information at least three months before your 65th birthday.</p> <p>For further information on Social Security, visit: https://www.ssa.gov/</p> <p>For further information on Medicare, visit: https://www.medicare.gov/</p>

<p>5. Can I contribute to my HSA if on Medicare?</p>	<p>No. If you enroll in Medicare Part A or Part B, you are not eligible to contribute to an HSA as HDHP must be your only medical coverage. You cannot be covered under another medical plan (ex. spouse's employer or Medicare).</p>
<p>6. What happens to my HSA if I enroll in Medicare?</p>	<p>Many people enroll in Medicare when they first become eligible at age 65 to get health coverage and avoid late entrance penalties. Medicare enrollment, however, disqualifies you from making any further HSA contributions. However, you can continue to withdraw money from your HSA after you enroll in Medicare to help pay for qualified medical expenses tax-free.</p>
<p>7. If I am covered by Medicare or TRICARE, is there a different tax-advantaged account I could use instead of an HSA?</p>	<p>Yes, you may be eligible to use a Health Care Spending Account (HCSA) to reimburse yourself for qualified medical expenses. Contact a UTC Benefits Center Representative at 1-800-243-8135 between 8:00 a.m. and 9:00 p.m. ET for assistance.</p>
<p>8. Can I make a change to my Medical Plan outside of the open enrollment period?</p>	<p>Yes. Changes due to entitlement (or loss of entitlement) to Medicare are permissible and must be made within 30 days from the day of the event.</p>
<p>9. Do I have to enroll in Medicare when I retire?</p>	<p>If you do not enroll in Medicare Part B within the required time, you will be subject to federal government penalties.</p>
<p>10. What if I enroll in Social Security while still employed at UTC?</p>	<p>If you enroll in Social Security, you will be automatically enrolled in Medicare Part A. The law does not allow you to enroll in Social Security and opt out of Medicare Part A. You are not eligible to be covered by Medicare and contribute to an HSA.</p>

<p>11. What happens to the money in my HSA after I turn 65?</p>	<p>Once you are 65, you can withdraw funds from your HSA tax-free to pay for personal qualified medical expenses, regardless of whether you enroll in Medicare. Once enrolled in Medicare, you can use your HSA funds to reimburse yourself for your Medicare premiums and/or COBRA premiums, as well as Medicare/COBRA premiums for your spouse/dependents. Medicare supplement insurance or “Medigap” policies are not considered qualified expenses. HSA funds spent for reasons other than qualified medical expenses are subject to income tax.</p>
<p>12. Can I “dis-enroll” from TRICARE to contribute to an HSA?</p>	<p>It is currently not possible to dis-enroll from TRICARE. This means that if you opt to additionally cover yourself through the UTC HDHP while enrolled in TRICARE, you will not be able to contribute to an HSA.</p>
<p>13. Who do I contact if I am covered under the UTC Medical Plan and also eligible for Medicare?</p>	<p>If you have further questions you can contact a Benefits Advocate. Call the Benefits Center at 800-243-8135 and select the Benefits Advocate option M-F 8am – 9pm EST.</p>
<p>14. I am age 65 (or older). I have Medicare. I also still have coverage through my employer’s health plan. May I use my HSA funds to pay my contribution to my employer’s health coverage?</p>	<p>The answer depends on how you pay for your employer’s health plan. If you pay those premiums with pre-tax money, then the answer is no. You cannot use your HSA funds to pay for premiums that you pay pre-tax.</p>
<p>15. I am enrolled in Medicare. Can I use my HSA funds for my Medicare premiums?</p>	<p>You can use your HSA funds for most Medicare premiums. You cannot use your HSA funds for a Medicare supplemental policy. Note: This applies if you are age 65 or older.</p>
<p>16. How much can I contribute to my HSA?</p>	<p>Each year, the IRS sets annual contribution limits for HSAs. For 2018, the limit for an individual</p>

	<p>enrolled in a self-only plan is \$3,450. The contribution limit for a family enrolled in a family HDHP is \$6,900.</p> <p>You can contribute up to these limits while you (or your family) are enrolled in a high-deductible health plan. The easiest way to do this is through payroll deduction on a pre-tax basis. But, you can also contribute permitted amounts in a lump sum. You can change your scheduled contribution amount at any time during the year as long as you don't exceed the annual limit. If you are age 55 or older, you can contribute another \$1,000 per year. This is a "catch-up" contribution designed to allow additional savings for health expenses in retirement, such as Medicare premiums and long-term care. Please note that your HSA <u>cannot</u> be used for Medigap and Medicare supplemental premiums.</p>
<p>17. What is a "catch-up" contribution?</p>	<p>If you are enrolled in an HDHP and are age 55 or older, you can contribute another \$1,000 annually to your HSA. This is a catch-up contribution. For example, you have a self-only HDHP. For 2018, the contribution limit is \$3,450. If you are 55 or older, you can contribute up to \$4,450 for the year. (\$3,450 + \$1,000). This example is assuming that you are eligible for the full year.</p> <p>If you have family HDHP coverage and your spouse is age 55 or older, he or she can also make a catch-up contribution of \$1,000 annually. If your spouse wants to do this, he or she would have to open up his or her own HSA. Only one person can own an HSA. This means that your spouse cannot contribute his or her</p>

	catch-up contribution to your HSA. Note: If you are eligible for benefits under Medicare you cannot make a contribution or catch-up contribution to an HSA.
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Notes:

Waiving and/or dis-enrolling from other coverage, including Medicare, could carry adverse financial implications for you and your family, so we urge you to discuss this decision with your financial (or other professional) advisor before taking any action.

UTC is not making any recommendations as to the best medical coverage or tax-savings strategy for you. Additional information is available through the Social Security Administration (www.socialsecurity.gov; 1-800-772-1213 or TTY 1-800-325-0778).