MEDICARE ON MAIN

The Medicare Cheat Sheet

The deadlines, the penalties, and the hidden gaps Medicare doesn't cover, starting with care at home. In plain English.

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START HERE

Three ways Medicare quietly costs people money

Most people think signing up for Medicare is one form at 65. It isn't. The expensive mistakes almost never come from picking the "wrong" plan. They come from three things nobody explains clearly.

1 Missed deadlines

Medicare runs on windows. Some open once in your life. Miss one and you can wait months for coverage, or lose your right to buy certain coverage without health questions.

2 Late penalties that never go away

Sign up late for Part B or drug coverage and a penalty gets added to your premium, in most cases for as long as you have that coverage. That's not a one-time fine. It's a monthly bill for life.

3 The hidden gaps

Original Medicare (Parts A and B) is good coverage, but it has holes: and the biggest one is **care at home**. Help with bathing, dressing and daily living isn't covered, and it can cost tens of thousands a year. Add no yearly limit on your 20% share and no everyday prescriptions, and one bad year can get very expensive.

> **How to use this guide:** read pages 3–7 now, even if 65 feels far off. Then use the checklist on page 9. If anything doesn't fit your situation, that's exactly what a free call with me is for. That's the job.

I'm Brian Penner, a licensed independent Medicare agent. At Medicare On Main we help people sign up the right way, wherever they live, and pick coverage that fits their doctors, prescriptions and budget. Our help costs you nothing.

PART 1 · DEADLINES

The windows you can't afford to miss

Turning 65: your 7-month Initial Enrollment Period

It opens 3 months before the month you turn 65 and closes 3 months after it.

3 mo before	2 mo before	1 mo before	Birthday month	1 mo after	2 mo after	3 mo after

Green = best time. Sign up in the 3 months before your birthday month and coverage starts the 1st of your birthday month. Sign up later and your start date can slide.

Already getting Social Security?
You're enrolled in Parts A and B automatically. Your card arrives about 3 months before you turn 65. **Everyone else has to sign up.** It is not automatic.

Still working at 65?
Employer with **20+ employees**: you can usually keep that plan and delay Part B without penalty. **Fewer than 20**: Medicare usually pays first, so you generally need Part B on time.

Leaving a job or employer plan?
You get an **8-month Special Enrollment Period** starting the month after the job or the coverage ends, whichever is first. **COBRA and retiree coverage don't count** as active employer coverage.

Have an HSA?
Stop contributions about **6 months before** you sign up for Medicare. Part A can be backdated up to 6 months, and you can't contribute while you have Medicare.

The other dates on the Medicare calendar

Window	When	What it's for
Annual Enrollment	Oct 15 – Dec 7	Change Medicare Advantage or drug plans for next year
Medicare Advantage Open Enrollment	Jan 1 – Mar 31	Already on Medicare Advantage? One switch, or go back to Original Medicare
General Enrollment	Jan 1 – Mar 31	Missed your window? Sign up here. Coverage starts the next month, and penalties may apply
Medigap Open Enrollment	6 months, once	Starts when you're 65+ and in Part B. Buy any Medigap plan with no health questions

PART 2 · PENALTIES

The penalties that follow you for life

Medicare doesn't send a warning letter before these kick in. You usually find out when the bill arrives.

Part B late penalty

10% added to your Part B premium for every full 12 months you could have had Part B and didn't, unless you had qualifying employer coverage. You pay it for as long as you have Part B.

+30%

Example: wait 3 full years without qualifying coverage and your Part B premium is 30% higher every month, for life. On the 2027 standard premium of $209.40, that's about **$63 more a month**, or roughly **$754 a year**, and it grows as premiums rise.

Part D (drug coverage) late penalty

Go **63 days or more** without Part D or other creditable drug coverage after your window opens, and a penalty is added to your drug premium: **1% of the national base premium for every month** you went without. It lasts as long as you have drug coverage, even if you take no medications today.

The "invisible penalty": losing your Medigap window

Your 6-month Medigap Open Enrollment happens once. During it, an insurer can't turn you down or charge you more because of your health. **After it closes, in most cases you can be asked health questions and declined.** Nobody sends a bill for this one. You just find out later that the door is shut.

How to avoid all three

- Know your Initial Enrollment Period dates **before** your 65th birthday.
- Working past 65? Get written proof of your employer coverage (form CMS-L564) when you leave.
- Don't go 63+ days without creditable drug coverage, even if you don't take prescriptions.
- If you want a Medigap plan, decide during your 6-month window, not after.

PART 2 · THE HIGH-INCOME SURCHARGE

IRMAA: the Medicare surcharge on higher incomes

If your income is above a set line, Social Security adds a surcharge to your Part B and Part D premiums. It's called IRMAA, and it's based on your taxes from **two years ago**.

2025 income, single	2025 income, joint	Part B / month	Part D added / month
$112,000 or less	$224,000 or less	$209.40 (standard)	$0
$112,001 – $141,000	$224,001 – $282,000	$293.10	+$15.40
$141,001 – $177,000	$282,001 – $354,000	$418.80	+$39.70
$177,001 – $212,000	$354,001 – $424,000	$544.40	+$64.00
$212,001 – $499,999	$424,001 – $749,999	$670.00	+$88.30
$500,000 and up	$750,000 and up	$711.80	+$96.40

2027 amounts, per person. Income = modified adjusted gross income (your AGI plus tax-exempt interest) from your 2025 tax return. The Part D amount is added on top of your drug plan's premium. Married filing separately has its own, higher schedule.

Why it surprises people
The two-year lookback. Your 2027 premium uses 2025 income, so the year you still had a paycheck, sold a house, did a Roth conversion or took a big IRA withdrawal can raise your premium after the income is gone.

Plan around it
The brackets are cliffs: $1 over a line costs the whole step, for every person on Medicare in the house. Timing a Roth conversion or a sale can keep you under. Ask your tax pro before the year ends, not after.

Your income dropped after you retired? You may be paying IRMAA you don't owe anymore. Turn the page: you can ask Social Security to lower it.

PART 2 · LOWERING IRMAA

How to appeal IRMAA with form SSA-44

If your income went down because of one of these **8 life-changing events**, Social Security can use your newer, lower income instead of the old tax return:

1. **Marriage**
2. **Divorce or annulment**
3. **Death of your spouse**
4. **Work stoppage** (you retired or stopped working)
5. **Work reduction** (fewer hours or lower pay)
6. **Loss of income-producing property** (from a disaster, fraud or theft, not a sale)
7. **Loss of pension income** (a pension ended or was cut)
8. **Employer settlement payment** (from a former employer that closed or went bankrupt)

Selling a house, a one-time capital gain or a big IRA withdrawal is **not** on the list. Those need planning ahead, not an appeal.

The 4 steps

1. **Fill out form SSA-44.** Check your event and its date, then give your lower income: the actual amount if the year is done, or your estimate for this year if it isn't.
2. **Attach proof of the event.** Retired? A letter from your employer with your last day or new hours. Spouse passed? The death certificate. Divorce? The decree.
3. **Attach proof of the lower income.** Your newest tax return, or your own estimate for this year. Social Security checks it against the IRS later.
4. **Send it to Social Security.** Mail or bring it to your local office, or call 1-800-772-1213 for an appointment. If they approve it, your premium drops and they refund what you overpaid. If they deny it, you can ask them to reconsider.

We'll fill out your SSA-44 for you, free.
Answer a few questions and we'll send you the completed form, ready to sign. Or fill it out yourself on your own phone or computer. Both are at medicareonmain.com/irmaa-appeal

PART 3 · THE HIDDEN GAPS

The biggest gap nobody plans for: care at home

Most of us want to stay in our own home as we age, and assume Medicare will pay for help there. For the help most people actually need, it doesn't.

What Medicare does cover at home

- Part-time skilled nursing or therapy
- Only if you're homebound and a doctor certifies it
- Short-term, while you need skilled care

What it does NOT cover

- ✕ Help bathing, dressing, eating or getting around, when that's the only help you need
- ✕ Homemaker help, meals or 24-hour care
- ✕ Ongoing, long-term care at home

$306,600

One year of round-the-clock care at home at the 2025 national median of $35/hr (CareScout Cost of Care Survey). **Medicare, Medicare Advantage and Medigap don't pay for it.**

4 hrs a day, 5 days a week	8 hrs a day, every day	24 hrs a day, every day
$36,400/yr	**$102,200/yr**	**$306,600/yr**

This is the **biggest hidden gap in Medicare**. It drains retirement savings and lands on spouses and kids. Plans built for it pay toward care at home; look **while you're healthy**, since you usually have to qualify.

The other gaps in Original Medicare

No yearly out-of-pocket limit. You generally pay 20% of approved costs, with no cap.

Hospital deductible per stay. Part A's deductible ($1,776 in 2027) is per benefit period, not per year.

Most prescriptions. Pharmacy drugs need Part D or a plan that includes them.

Dental, vision, hearing and travel. Generally not covered, and care outside the U.S. usually isn't either.

PART 4 · FILLING THE GAPS

Pros and cons, side by side

Two main roads, and neither is "the best." The right one depends on your doctors, prescriptions, travel and budget.

Medicare Advantage

PART C · PRIVATE PLAN

PROS

- Low monthly premiums; $0 plan-premium options in many areas
- A yearly out-of-pocket maximum caps your costs
- Drug coverage usually built in: one plan, one card
- Often includes extras like dental, vision, hearing and fitness
- You can change plans every fall (Oct 15 – Dec 7)

CONS

- Network doctors and hospitals; HMOs may need referrals
- Copays add up as you use care; a rough year can reach the max
- Some services need prior approval from the plan
- Networks, drug lists and benefits can change every year
- Limited coverage when you travel outside the plan's area

Often a fit if: your doctors are in the network, you stay mostly local, and you want a low monthly cost.

Medicare Supplement

MEDIGAP + PART D DRUG PLAN

PROS

- See any doctor or hospital in the U.S. that takes Medicare
- No networks and no referrals
- Predictable costs: little or nothing out of pocket for covered care, depending on the plan letter
- Goes with you when you travel or split time between states
- Plan benefits are standardized and don't change year to year

CONS

- Higher monthly premium, which usually rises as you age
- You need a separate Part D drug plan
- No dental, vision or hearing included
- Outside your 6-month Medigap window, health questions can apply to buy or switch
- Some plan letters leave a deductible for you to pay

Often a fit if: you want freedom to choose doctors, you travel, or you'd rather pay more monthly for fewer surprises.

What I usually recommend: Plan N + a home health care plan, not Plan G by itself.
Plan N costs less than Plan G each month. You pay small copays (up to $20 at the doctor, up to $50 for an ER visit that doesn't admit you), and it doesn't cover Part B excess charges. Put the monthly savings toward a **home health care plan that also covers Part B excess charges**. You give up a $20 copay and gain protection against the gap that can cost **$300,000 a year**.

PART 5 · YOUR CHECKLIST

Your turning-65 to-do list

6 months before you turn 65

- [ ] Write down your Initial Enrollment Period dates (page 3).
- [ ] Still working? Ask HR how many employees the company has and whether your plan is creditable for drugs.
- [ ] Have an HSA? Plan when to stop contributions.
- [ ] List your doctors and every prescription with its dose.

3 months before

- [ ] Sign up for Parts A and B (online at ssa.gov, by phone, or with our help), unless you're delaying for employer coverage.
- [ ] Leaving an employer plan? You need forms **CMS-40B** and **CMS-L564**. **Send us your answers and we'll fill out both for you.** Your employer signs the L564, so start early.
- [ ] Compare Medicare Advantage vs. Medigap + Part D against your doctors and drugs.

Before your coverage starts

- [ ] Enroll in your plan so it starts the same day as Part B. No gap in drug coverage.
- [ ] Want a Medigap plan? Apply during your 6-month window.
- [ ] Keep your Medicare card, plan card and welcome letters together.

Every fall

- [ ] Read your Annual Notice of Change in late September. Plans change every year.
- [ ] Review your coverage between Oct 15 and Dec 7.
- [ ] Got an IRMAA letter after retiring or another life change? Appeal it with form SSA-44 (page 6).

> Stuck on any box? That's normal. Most of my clients come to me with at least one "I didn't know that" on this list.

DON'T DO THIS ALONE

Let's get you enrolled the right way

Your window has a hard deadline, and the penalties can last for life. One free phone call now can save you thousands later.

What we do for you, at no cost:

- Walk you through signing up for Parts A and B, step by step.
- Leaving an employer plan? **We fill out your CMS-40B and CMS-L564 for you** and get them to Social Security.
- Check your doctors and prescriptions against Medicare Advantage, Medigap and Part D options.
- Show you options for the care-at-home gap while you still qualify.
- Help you enroll, and be there every year after.

Book your free call

Scan the code, or visit **medicareonmain.com/book**

(435) 260-3200

Call or text · Monday–Friday, 9–5



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Medicare On Main

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