

QUICK Q&A

Answers to not-so-common questions

Even the most experienced HR pros have questions from time to time. Our monthly Quick Q&A series provides answers to not-so-common questions and links to helpful resources.

Q. We have a 66-year-old employee who is retiring in a few months. The employee is on our group health plan but also enrolled in Medicare Part A. Is he still entitled to COBRA?

A. Yes, even though the individual is entitled to Medicare Part A benefits, loss of coverage from your group health plan (because of retirement) is a qualifying event. For many, enrolling in COBRA doesn't make financial sense, given the cost of COBRA coverage includes a 2% administrative fee in addition to the full premium. Often premiums for Medicare parts A, B and D are less than COBRA. But everyone's circumstances are different. Should someone retiring who has enrolled in Medicare Part A also enroll in COBRA coverage, then the individual will likely want to enroll in Medicare Parts B and D to avoid late-enrollment penalties in the future. Additionally, Medicare also pays primary for non-working individuals and, therefore, the COBRA carrier may reimburse claims with the assumption that Medicare coverage is in force.

If a 66-year-old on a group health plan hasn't enrolled in Medicare, because she participated in Health Savings Account (HSA) while working and then experiences a qualifying event due to retirement, COBRA must still be offered.* Again, an individual will likely want to sign up for Medicare part A, B and D within 8 months of losing group health insurance and enrolling in COBRA coverage. Otherwise, when COBRA ends, late-enrollment penalties can apply, and the COBRA carrier will likely reimburse claims as though Medicare is primary.

**Participation in an HSA isn't allowed for anyone enrolled in Medicare.*

Additional Resources:

- [Life Transitions](#)

Got an HR question? Let us know how we can help at HRconsulting@bukaty.com.