

# **MEDICARE and SOCIAL SECURITY: IMPLICATIONS RELATED to YOUR SURS PENSIONS**

Health Insurance  
And  
Social Security Pension

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# MEDICARE HEALTH INSURANCE

- Part A – Hospital Coverage
- Are you eligible for free Part A coverage?
- Eligible through own ss earnings or spouse/former spouse
- If eligible for free Part A need to purchase Part B – Physicians
- Do not need to purchase Part D – prescription drug coverage

# ELIGIBILITY FOR MEDICARE

- Age 65
- SS disability benefit for 24 months
- End Stage Renal Disease (ESRD)
- Medicare tax

# CMS PLAN DESIGN

- Eligible for free Part A CMS assumes Part B
- Increased benefits:
  - Hospital deductible \$50
  - Pays Part B deductible and co-insurance

# DELAYING PART B

- If covered by an employer group plan at age 65 and beyond can delay Part B coverage till retirement
- Free Part A is automatic
- Start Medicare B without penalty at retirement

# SOCIAL SECURITY RETIREMENT

- Windfall Elimination Period (WEP)
- Visit: [www.socialsecurity.gov/retire2/wep-chart.htm](http://www.socialsecurity.gov/retire2/wep-chart.htm)
- [www.socialsecurity.gov/pubs/10045.html](http://www.socialsecurity.gov/pubs/10045.html)
- Governmental Pension Offset (GPO)
- Visit: [www.socialsecurity.gov/pubs/10007.html](http://www.socialsecurity.gov/pubs/10007.html)

# GPO

- Reduces a spousal security benefit
- Frequently reduces spousal benefit to \$0
- As a value,  $\frac{2}{3}$  of your SURS benefit reduces your spousal benefit
- SURS pension does not reduce

# DUAL ENTITLEMENT PROVISION

- Under Social Security law 100% of your Social Security benefit is used to reduce your spousal benefit
- GPO vs. Dual Entitlement
- 2/3 vs. 100%
- “Law of unintended consequences”



# WEP

- Under certain circumstances your SS benefit is subject to a reduced formula due to a SURS pension.
- SURS pension does not reduce
- With less than 30 years of substantial earnings subject to reduced SS payments.
- Does not reduce to \$0