

Medicare Secondary Payer Rule

Medicare is the secondary payer when an employee has employer coverage.

An employee (clergy or lay) who returns to work is eligible for active coverage if the employee is either:

Exempt employee (e.g., salaried and is paid at least \$455 per week)

Non-exempt employee and is compensated for at least 1,000 hours per year

Eligible employees must be offered active benefits.

Exceptions

An employee is free to reject employer coverage and retain Medicare alone or purchase a **non-Medical Trust** Medicare Supplemental plan at the persons own cost. The employer is not allowed to provide financial incentive or pay for any Medicare Supplemental Health Plans or reimburse for Part B or Part D.

When a person turns 65, no contributions can be made to HSA and must enroll in Part A of Medicare.