

Medicare Eligibility and Enrollment Timing Essentials

Missing an enrollment window can cost Medicare beneficiaries significantly in late penalties and coverage gaps. This course walks through who qualifies for Medicare, the different enrollment periods available, and why timing matters so much. Tax professionals and CPAs who work with clients nearing age 65 or transitioning out of employer coverage will find this course especially practical. Knowing the rules helps you guide clients toward the right decisions before costly mistakes are made.

CREDIT HOURS 2 | FIELD OF STUDY BUSINESS | EXAM QUESTIONS 10

[Start Course ↓](#)[Final Exam Copy ↓](#)

LEARNING ASSIGNMENTS AND OBJECTIVES

Assignment

- Study the full course materials included here.
- Complete the review questions after each chapter.
- Answer 10 final exam questions.
- Final exam is scored immediately, 70% or better passes.
- Certificate of completion is available in your account.
- Failed exams can be retaken free of charge.

Course Objectives

- Identify the eligibility requirements for Medicare at age 65.
- Identify Medicare's enrollment period requirements.

Copyright Notice

© 2026 Pacific CPE, LP. All rights reserved.

This course and test have been adapted from supplemental materials and uses the materials entitled Medicare for Dummies, 5th Edition by Patricia Berry. Copyright © 2025 by John Wiley & Sons, Inc. Displayed by permission of the publisher, John Wiley & Sons, Inc., Hoboken, New Jersey.

The materials in this course — including the text, illustrations, exhibits, examples, exam questions, and review questions — are the copyrighted property of Pacific CPE, LP. No portion of this course may be reproduced, stored in a retrieval system, distributed, or transmitted in any form or by any means (electronic, mechanical, photocopying, recording, or otherwise) without the prior written permission of Pacific CPE, LP, except for the personal, non-commercial use of the registered learner.

Pacific CPE, LP grants the registered learner a single-seat, non-transferable license to access this course for the purpose of completing the associated continuing professional education credit. Account credentials may not be shared.

This course is provided "as is" for educational purposes. While Pacific CPE, LP makes a reasonable effort to ensure the content is current and accurate, the materials should not be relied upon as a substitute for professional advice. Pacific CPE, LP disclaims all liability for any error, omission, or loss arising from the use of, or reliance on, the course content.

Publication Date: March 2026

TABLE OF CONTENTS

CHAPTER

01

Qualifying For Medicare 4

1.01 Hitting The Milestone Of Age 65 4

1.02 Qualifying For Medicare Under Age 65 On The Basis Of Disability 10

1.03 Falling Through The Cracks: Health-Care Options If You Can'T Get Medicare Yet 13

Test Your Knowledge..... 18

CHAPTER

02

Enrolling In Medicare At The Right Time For You.

22

2.01 At A Glance: Surveying Situations That Affect Enrollment Timing 22

2.02 Understanding Your Initial Enrollment Period 26

2.03 Delaying Part B If You'Ll Qualify For A Special Enrollment Period Later 29

2.04 Enrolling In Other Specific Situations 38

2.05 Deciding Whether And When To Sign Up For Part D Drug Coverage ... 43

2.06 Understanding The Consequences Of Not Signing Up At The Right Time. 48

Test Your Knowledge..... 59

Final Exam Copy 81

Glossary 64

Index 64

Chapter 1: QUALIFYING FOR MEDICARE

Chapter Objective

After completing this chapter, you should be able to:

- Identify the eligibility requirements for Medicare at age 65.

Qualifying for Medicare and *being eligible for Medicare* essentially mean the same thing: You've passed a legal hurdle that allows you to receive Medicare benefits. Don't worry; you don't have to take a test to qualify for Medicare. You don't have to go before a judge or take part in some formal ceremony. But you do have to meet certain conditions required by law.

Very broadly, you must meet one of two conditions:

- You've reached your 65th birthday (or will reach it very soon) or are older than 65.
- You're under 65 but have a disability that is officially recognized and meets the requirements for Medicare coverage.

Within these two categories are several other conditions that may or may not affect you, depending on your specific circumstances. All are explained in detail in this chapter. You also find out about the options for healthcare if you don't immediately qualify for Medicare at 65, are a few years short of 65, or are stuck in that two-year limbo in which most people who are under 65 and disabled must wait for Medicare coverage.

HITTING THE MILESTONE OF AGE 65

This birthday is a big milestone. Maybe it feels more like a quantum leap than a puny mile. (Where did all the time go, anyway?) But whatever else it may mean for the generation of baby boomers whose mantra was once "Don't trust anyone over 30," turning 65 comes with a valuable birthday present. For most people, it's their passport to guaranteed health coverage under Medicare.

Still, nobody qualifies for Medicare just by reaching 65. You also have to meet certain other conditions, according to your circumstances, which are explained in the following sections. Some misconceptions about Medicare qualification are also clarified.

Debunking some qualification myths

Remember

Let's be very clear about what "qualifying for Medicare" actually means. Many people think that if they haven't paid into the system by paying enough payroll taxes while working, they're not eligible for any Medicare benefits. But that's not true. Those payroll taxes cover only Part A premiums; in other words, they allow you to get Part A services without paying monthly premiums for them. But even if you're not entitled to premium-free Part A, you can still get Part B and Part D services by paying premiums for them just like everybody else. (See Chapter 1 of course 81451E for descriptions of Parts A, B, and D.)

And even if you haven't worked long enough to get premium-free Part A, you may be able to qualify on the work record of your spouse (current, divorced, or deceased). Otherwise, you may have the option to receive Part A benefits by paying monthly premiums for them.

Remember

Let's also be clear about a few other points that often confuse people:

- The law doesn't force you to take Medicare Part B (which requires monthly premiums) at 65 or any other age. If you want to sidestep it completely, that's up to you. (However, if you change your mind later on, after your enrollment deadline has passed, you'll face costly consequences such as late penalties.)
- You can enroll in Medicare at age 65 or later even if you haven't begun receiving Social Security or railroad retirement benefits.
- You can delay enrolling in Part B beyond age 65—without incurring late penalties—for as long as you're covered by health insurance provided by an employer for whom you or your spouse is actively working, provided that the employer has 20 or more employees.

These points are really enrollment issues, which are explained in detail in Chapter 2. But I feel it's necessary to emphasize them here too because so much guidance written about Medicare eligibility gives the impression that all people are obliged to sign up as soon as they hit 65, which isn't necessarily so. That said, the following sections focus on qualifying for Medicare at age 65 even if you don't enroll at that time.

Meeting the requirements for Parts A, B, and D

As you may expect, the different parts of Medicare come with different rules for eligibility, as well as for coverage and costs. The following sections include checklists of the conditions you need to meet to qualify for Part A (*hospital insurance*), Part B (*medical insurance*), and Part D (prescription drug

coverage) at age 65. (Find more detail on qualifying for Part A, either on your own work record or someone else's, later in this chapter.)

Remember

Even if you don't qualify for premium-free Part A, you may still be eligible for Part B and Part D coverage at age 65; therefore, if you don't sign up for them at the right time, you may set yourself up for permanent late penalties, as explained in Chapter 2.

Part A

You qualify to receive Part A benefits (without paying premiums for them) at age 65 or older if you're a U.S. citizen or permanent legal resident (green-card holder) and at least one of the following is also true:

- You've earned 40 credits through paying payroll taxes at work, which makes you eligible for Social Security or railroad retirement benefits — flip to the later section “Qualifying for Part A on your own work record” for details on work record requirements — even if you're not yet receiving retirement benefits.
- You qualify on the work record of your current spouse (or, in some circumstances, your divorced or deceased spouse), as explained in the later section “Being eligible for Part A on someone else's work record.”

You qualify to receive Part A benefits *without* 40 work credits at age 65 or older if you're a U.S. citizen or legal resident who has lived in the United States for at least five years before applying for Medicare, you enroll in Part A and Part B (see the next section), and one of the following applies to you:

- You have 0 to 29 work credits and pay the full Part A premium (\$565 a month in 2026).
- You or your spouse has 30 to 39 work credits, and you pay the partial Part A premium (\$311 a month in 2026).

Part B

You can receive Part B benefits at age 65 or older if you're a U.S. citizen or a legal resident (green-card holder) who has lived in the United States for at least five years, you're enrolled in Part B, and one of the following is true:

- You pay a monthly premium — either the standard Part B premium (\$202.90 a month in 2026) or more if your income is high enough to require a surcharge (as explained in Chapter 1 of course 81452E).
- Your Part B premium is paid by your state (as explained in Chapter 2 of course 81452E).

Part D

You can receive Part D benefits at age 65 or older if you're enrolled in Part A or Part B, or both; you enroll in a stand-alone Part D drug plan or a Medicare Advantage plan that provides Medicare prescription drug coverage; and one of the following applies to you:

- You pay the monthly premium that your plan requires.
- Your Part D plan premium is paid by the *Extra Help* program or a State Pharmacy Assistance Program (as explained in Chapter 2 of course 81452E).

Qualifying for Part A on your own work record

You need to earn 40 work credits — sometimes called *quarters of coverage* — before becoming eligible for premium-free Part A benefits at age 65 or over or to qualify for Social Security retirement benefits. Here's how credits are calculated:

- Work credits are calculated on income that you work for and that's taxable — that is, earnings on which you pay Social Security and Medicare payroll taxes. This category includes wages from an employer and earnings from self-employed work. It doesn't include income from pensions or from interest or dividends on investments and savings.
- You must earn a certain amount of money to get one work credit; the amount tends to go up a little each year. In 2026, the amount is \$1,890.
- You can earn a maximum of only four work credits in any one year. In 2026, this limit would amount to earnings of \$7,560. When in the year you earn your credits doesn't matter. You may have to work all year to earn four credits, or you may earn all four much earlier in the year, even within the first three months.
- However, regardless of when in the year you earn four credits, Social Security won't credit the fourth one until the first day of the last quarter of the year, October 1. So, for example, if you earn your 40th credit in June, you must wait until October 1 to become fully insured and eligible to receive Part A benefits without paying monthly premiums for them.
- Racking up 40 credits usually takes at least ten years of work, but these years need not be consecutive. You earn credits whenever you work and pay payroll taxes, even if you have long breaks between spells of work.

Not everyone works in jobs that require paying Social Security taxes. For example, federal workers have their own retirement system and don't have to contribute to Social Security. However, since 1983, all federal workers have been required to pay Medicare payroll taxes, which entitles them to Part A benefits without paying premiums but not to Social Security retirement benefits.

Different rules relating to work credits may apply in certain circumstances. Contact Social Security to discuss your credits if you're:

- Self-employed and earning less than \$400 a year
- Employed by a local or state government that opted not to participate in Social Security
- In the military (you may get additional credits in some situations)
- Performing domestic work or farm work
- Working for a church or church organization that doesn't pay Social Security taxes

Tip

Social Security keeps a record of your earnings and work credits, compiled from employers' reports and tax records. It sends out statements telling people age 60 or older how near they are to being "fully insured" — meaning entitled to Medicare and retirement benefits. You can also go to www.ssa.gov/myaccount to create an online account to access these statements. For more information, call Social Security at 800-772-1213 (TTY 800-325-0778) or read its consumer guide "How You Earn Credits" at www.ssa.gov/pubs/EN-05-10072.pdf.

Being eligible for Part A on someone else's work record

If you haven't worked long enough to get Part A benefits without paying premiums, you may qualify on the work record of your current or former spouse. But the rules vary according to different circumstances.

Your current/former spouse has enough credits

If your current or former spouse has earned 40 work credits, you can qualify for premium-free Part A on their work record under these circumstances:

- **Current spouse:** You've been married to your current spouse for at least one year, you're age 65 or older, and your spouse is at least 62.
- **Divorced spouse:** You were married to your divorced spouse for at least ten years before the divorce became final, you haven't remarried, you're age 65 or older, and your ex is at least 62. (Whether your ex has remarried doesn't matter.)
- **Late spouse:** You had been married to your deceased spouse for at least nine months immediately before they died, you're 65 or older, and you didn't remarry before age 60 (or 50 if you're entitled to disability benefits).
- **Divorced late spouse:** You were married for at least ten years before the divorce became final, you didn't remarry before age 60 (or 50 if you're entitled to disability benefits), and you're 65 or older.

Neither you nor your spouse has 40 work credits

If your current or former spouse has fewer than 30 credits, they aren't any use to you (for Medicare purposes, that is) because you still have to pay full premiums to get Part A benefits. But if they have 30 to 39 credits, you're entitled to pay reduced Part A premiums on their work record even if you have no credits at all — as long as you also meet the conditions described in the previous section. This arrangement makes a big difference financially. In 2026, the full Part A premium is \$565 a month, whereas the reduced premium is \$311 a month. Of course, if your current or ex-spouse continues working until they have earned 40 credits, you then qualify for Part A benefits on their work record without having to pay premiums.

Remember

You can't add your work credits to those of your spouse to qualify for premium-free Part A. For example, if you have 20 credits and your spouse has 31, you meet only the conditions to pay a reduced Part A premium based on your spouse's 31 credits. You can't use the 51 credits you have between you.

You're the foreign spouse of a U.S. citizen or legal resident

Normally, non-citizens who haven't worked in the United States need to become permanent legal residents (green-card holders) and live in the United States continuously for at least five years in order to qualify for Medicare benefits. But if you're 65 or older and are a green-card holder who's been married to a U.S. citizen or a legal resident for at least one year — and your spouse is age 62 or older and has earned 40 work credits — you're entitled to full Medicare benefits (including premium-free Part A) on their work record without being required to live in this country for five years. In case you need to argue this point, you can find the official regulation in section GN 00303.800 — “Eligibility Under the HI/SMI Program for Uninsured Individuals” — of the Program Operations Manual System (POMS) at secure.ssa.gov/poms.nsf/lnx/0200303800.

You're in a same-sex marriage

Couples in same-sex marriages have the same rights to all federal benefits as those in opposite-sex marriages, thanks to a June 2015 U.S. Supreme Court decision that ruled people throughout the nation have a constitutional right to same-sex marriage. This ruling means, among many other things, that one same-sex spouse can qualify for full Medicare benefits, without paying premiums for Part A, on the work record of the other spouse, if all the conditions described in the preceding sections are met.

You are unmarried but live in a domestic partnership

You usually can't qualify for premium-free Part A benefits on the work record of a domestic partner to whom you aren't formally married — regardless of whether your partner is the same sex as you or the opposite sex, or whether you've been covered by health insurance from their employer.

One *exception* to this rule is if you're in a relationship that is formally recognized as a common-law marriage by the laws of your state. (For info on these laws, see Unmarried Equality's fact sheet at www.unmarried.org/common-law-marriage-fact-sheet.)

Remember

If you're in any kind of domestic partnership and you're covered by a health plan from your partner's employer, you need to know the rules about signing up for Medicare Part B, which is explained in Chapter 2.

QUALIFYING FOR MEDICARE UNDER AGE 65 ON THE BASIS OF DISABILITY

People with disabilities have historically had a hard time finding affordable health insurance because of their medical problems. But Medicare helps by covering three categories of disabled people — those who

- Have received Social Security disability payments for at least two years
- Have permanent kidney failure (ESRD)
- Have Lou Gehrig's disease (amyotrophic lateral sclerosis, or ALS)

The following sections explain how you get to qualify for Medicare if you fall into any of these categories.

Receiving disability payments

Tip

If you have any illness, injury, or disability that prevents you from earning more than a certain amount of money each month and this medical condition is expected to last for at least one year, you may be eligible for Social Security Disability Insurance (SSDI). For information on eligibility and how to apply, call Social Security at 800-772-1213 or the TTY number 800-325-0778, or go to ssa.gov/pubs/EN-05-10029.pdf.

After Social Security has reviewed your application, it will let you know whether you qualify for SSDI. If you do, you'll receive monthly cash payments, starting five months after the date that Social Security determines your disability began. And eventually, you'll also qualify for Medicare benefits