

Avoid late enrollment penalties

It's important to sign up for Medicare coverage during your

Initial Enrollment Period

, unless you have other coverage that's similar in value to Medicare (like from an employer). If you don't, you may have to pay an extra amount, called a late enrollment penalty.

Late enrollment penalties:

- Are added to your monthly premium.
- Are **not** a one-time late fee.
- Are usually charged for as long as you have that type of coverage (for most people, that's a lifetime penalty). The Part A penalty is different.
- Go up the longer you wait to sign up – they're based on how long you go without coverage similar to Medicare.

Part A late enrollment penalty

- Some people have to buy Part A because they don't qualify for premium-free Part A.
Do I qualify for premium-free Part A?
- If you have to buy Part A, and you don't buy it when you're first eligible for Medicare, your monthly premium may go up 10%.
- You'll have to pay the penalty for **twice the number of years you didn't sign up**.

Example:

If you were eligible for Part A for 2 years but didn't sign up, you'll have to pay the higher premium for 4 years. Usually, you don't have to pay a penalty if you meet certain conditions that allow you to sign up for Part A during a Special Enrollment Period.

Part B late enrollment penalty

- Generally, you won't have to pay a Part B penalty if you qualify for a Special Enrollment Period. [Learn more about Special Enrollment Periods.](#)
- You'll pay **an extra 10% for each year** you could have signed up for Part B, but didn't.
- You may also pay a higher premium depending on your income.

Example:

If you waited 2 full years (24 months) to sign up for Part B and didn't qualify for a Special Enrollment Period, you'll have to pay a 20% late enrollment penalty (10% for

each full 12-month period that you could have signed up), plus the standard Part B monthly premium (\$174.70 in 2024).

\$174.70 (2024 Part B standard premium)
+ \$34.94 (20% [of \$174.70] late enrollment penalty)

\$209.60 will be your Part B monthly premium for 2024. This amount is rounded to the nearest \$.10 and includes the late enrollment penalty.

Part D late enrollment penalty

- Generally, you won't have to pay a Part D penalty if:
 - You have

creditable drug coverage

(coverage that's similar in value to Part D) **OR**
 - You qualify for [Extra Help](#)
- You'll pay an extra 1% for each month (that's **12% a year**) if you:
 - Don't join a Medicare drug plan when you first get Medicare.
 - Go 63 days or more without creditable drug coverage).
- You may also pay a higher premium depending on your income.
- After you join a Medicare drug plan, the plan will tell you if you have to pay a penalty and what your premium will be.

What if I don't agree with the late enrollment penalty?

Example:

If you waited 14 months after you were eligible for Medicare to join a Medicare drug plan, and you didn't have creditable drug coverage, you'll have to pay a 14% late enrollment penalty in addition to your monthly plan premium.

- The penalty amount comes from the "national base beneficiary premium" (\$34.70 in 2024).
- The national base beneficiary premium changes each year, so your penalty amount may also change each year. **This monthly penalty is added for as long as you have Medicare drug coverage, even if you switch plans.**

\$34.70 (2024 national base beneficiary premium)

X 0.14 (14% penalty)

\$4.86 (rounded to the nearest \$0.10 = \$4.90)

\$4.90 will be your monthly penalty for 2024. This amount is added to your plan's monthly premium