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A TIAA Company

2021

Medicare quick reference

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This guide provides general tax information. Nuveen is not a tax advisor.

Medicare parts and plans

| | |
|------------------------------------|--|
| Part A | Covers hospital, skilled nursing facility, home health and hospice care. Part of Original Medicare. |
| Part B | Covers physician services, preventative care, durable medical equipment, hospital outpatient, mental health and ambulance services. Part of Original Medicare. |
| Part C (Medicare Advantage) | Commonly called Medicare Advantage (MA), Part C is a private insurance alternative to Original Medicare. MA plans generally incorporate Parts A, B and D into a single insurance plan option. |
| Part D | Covers prescription medications through plans issued by private insurance companies. Coverage can be obtained as a stand-alone plan under Original Medicare or as part of a Medicare Advantage offering. |
| Medigap/Medicare Supplement | Supplemental coverage for certain expenses not covered by Original Medicare. Covered expenses may include deductibles, copays, coinsurance and foreign travel emergency care. These plans are issued by private insurance companies. |

Medicare costs

Part A

| | |
|----------------------|--|
| Base Premiums | None (up to \$471 for those without sufficient work credits or spousal eligibility) |
| Deductible | \$1,484/benefit period. A benefit period begins on the day you are admitted to the hospital or skilled nursing facility and ends after 60 consecutive days of no inpatient or skilled nursing care. |
| Copayments | Hospital stays: <ul style="list-style-type: none">• Days 1-60: \$0 after deductible• Days 61-90: \$371/day• Days 91+: \$742 coinsurance per available reserve day (up to 60 days over lifetime) or full cost Skilled nursing facility: <ul style="list-style-type: none">• Days 1-20: \$0 for each benefit period• Days 21-100: \$185.50/day• Days 100+: Full cost |

Source: Medicare.gov

Part B

| | |
|------------------------------|--|
| Base Premiums | \$148.50 standard premium (may be less if covered by “hold harmless” ¹ provision) |
| High Income Surcharge | Varies by income and tax filing status. See <i>High Income Premium Surcharge table</i> . |
| Deductible | Annual: \$203 |
| Copayments | 20% for most other services. None for most preventative services. |

1 Hold harmless premium applies for most Social Security recipients

Source: Medicare.gov

Part C

- MA plans are a private alternative to Original Medicare.
- Plan premiums vary, but will not be less than the Part B premium cost of (“hold harmless” premium) or \$148.50 (standard premium)
- Issued by private insurance companies generally under HMO or PPO structure.

- May include dental, hearing or vision coverage.
- Plan availability and provider networks vary by geographic region.

Part D

| | |
|------------------------------|---|
| Base Premiums | Varies by plan and location. National base premium: \$33.06 |
| High Income Surcharge | Varies by income and tax filing status. See <i>High Income Premium Surcharge table</i> . |
| Maximum Deductible | Annual: \$445 |
| Copayments | Depends on plan and phase of coverage |
| Coverage Phases | Standard: \$0 – \$4,130 in prescription costs Coverage Gap: \$4,130 – \$6,550 in prescription costs Catastrophic: >\$6,550 in prescription costs |

Source: Medicare.gov

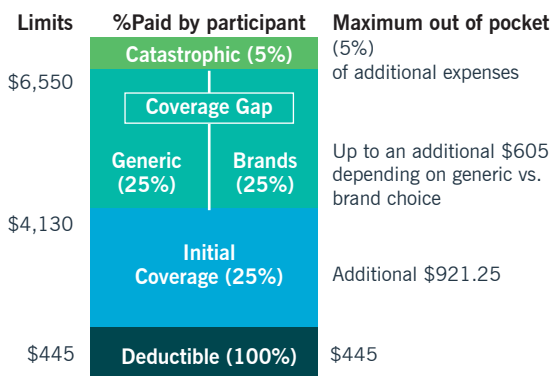
Part D — Coverage Gap

Most Part D plans have a Coverage Gap where there is a temporary limit on what the plan will cover for drugs.

Under standard guidelines, a participant is responsible for Part D expenses in 2021 as follows:

- Participant pays an initial deductible up to \$445.
- Medicare Part D covers 75% of the next \$4,130 in prescription drug costs. Most plans have predetermined co-payments or co-insurance for each drug.
- Once all Part D and participant out of pocket expenses total \$4,130, the participant enters the Coverage Gap. The participant pays 25% of generic and brand name medication costs. Once total creditable payments* exceed \$6,550, the participant enters the Catastrophic coverage phase.

Part D – Coverage phases

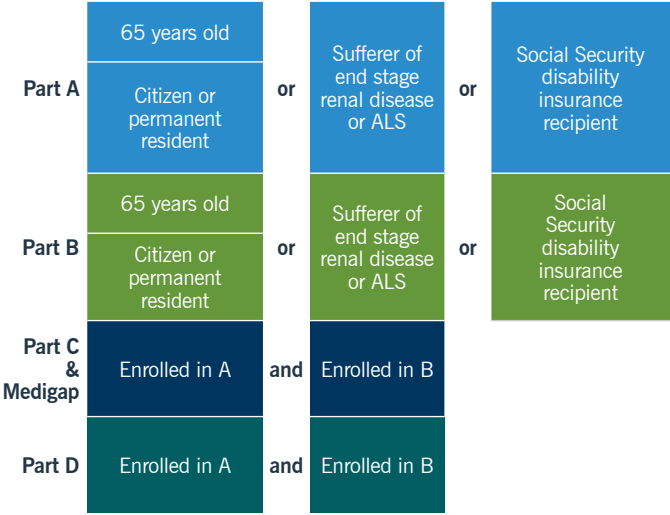


Medigap

- Must be enrolled in Part A & B in order to purchase.
- Only available under Original Medicare.
- Premiums vary by plan type and insurer selected.
- Supplemental plans are typically available in 10 variations depending on desired coverage.
- Plans may cover all or portions of copays, deductibles, coinsurance, Part B excess charges and foreign travel emergency coverage.

*Creditable payments include: deductibles, coinsurance, and co-payments; 70% of brand name drug costs in the coverage gap; and participants payments in the coverage gap.

Eligibility requirements



Enrollment periods

Initial Enrollment



Annual Election Period



General Enrollment



Open Enrollment



Enrollment periods

Initial Enrollment: Begins 3 months prior to 65th birthday and ends 3 months after.

Annual Election Period: Opportunity to make changes to selected coverage and have an effective date of January 1 the following year. May change MA or Part D plan, move from Original Medicare to MA or vice versa.

General Enrollment: Opportunity to enroll if you did not enroll when first eligible. Coverage will begin on July 1st and enrollment penalties may apply. *See Penalties for Late Enrollment*

Open Enrollment: Only for beneficiaries who are enrolled in a MA plan. One time chance to drop MA plan and return to original Medicare Part A and Part B, sign up for stand-alone Medicare Part D Prescription Drug Plan, and/or switch from one MA Plan to another MA Plan.

Special Enrollment: Available after 65, anytime while covered by a current employer’s plan or within 8 months of separation.

Penalties for late enrollment

| | Part A ² (if applicable) | Part B | Part D |
|-------------------------|--|---|--|
| Amount | 10% flat penalty | 10% incremental pen | 1% incremental penalty, based on National Base Premium of \$33.06 |
| Rate of increase | Does not increase | Increases 10% for each 12 month period participant was eligible for Part B but was not enrolled | Increases 1% for each full month participant was eligible for Part D coverage but was not enrolled |
| Duration | Twice as long as participant was eligible for Part A, but was not enrolled | As long as participant has Medicare | As long as participant has Medicare |
| Initiation | As soon as initial or special enrollment period ends | As soon as initial or special enrollment period ends | After 63 continuous days without creditable prescription drug coverage |

² Only applies to individuals who do not qualify for premium free Part A coverage.

High income premium surcharges

| Modified adjusted gross income in 2019 (determines what you pay in 2021) | | | Monthly premium | |
|---|------------------------|-------------------------|-----------------------|-------------------|
| File individual | File married & joint | File married & separate | Part B | Part D |
| \$88,000 or less | \$176,000 or less | \$88,000 or less | \$148.50 ³ | Plan premium |
| \$88,001 to \$111,000 | \$176,001 to \$222,000 | Not applicable | \$207.90 | \$12.30 + premium |
| \$111,001 to \$138,000 | \$222,001 to \$276,000 | Not applicable | \$297.00 | \$31.80 + premium |
| \$138,001 to \$165,000 | \$276,001 to \$330,000 | Not applicable | \$386.10 | \$51.20 + premium |
| \$165,001 to \$500,000 | \$330,001 to \$750,000 | \$88,001 to \$412,000 | \$475.20 | \$70.70 + premium |
| above \$500,000 | above \$750,000 | above \$412,000 | \$504.90 | \$77.10 + premium |

³ May pay less if held harmless.

Key enrollment considerations

Signing up at the proper time: In order to avoid penalties, participant must either sign up for Medicare during the initial enrollment period or be eligible to delay coverage.

Delaying coverage past age 65:

Medicare can be delayed without penalty, if participant has creditable health care coverage through an employer or spouse's employer.

Transitioning from employer coverage to delayed Medicare coverage:

Participants who delayed coverage can sign up for Medicare through a Special Enrollment Period (SEP). Participant may sign up while covered by another plan or up to eight months after other coverage ends.

Combining Medicare and group plan coverage:

If participant has both Medicare and plan coverage, payments will depend on the size of the employer providing the coverage. The group plan will be the primary payer if the plan is offered by a firm with 20 or more employees. For plans through firms with 20 or fewer employees, which coverage is primary will depend on the plan. Participants should consult with plan provider to determine how the plan will integrate with Medicare.

Medicare and Health Savings Accounts (HSAs):

Upon enrollment in any part of Medicare (including Part A), participant may no longer contribute to an HSA. However, participant may use remaining HSA funds to pay for medical services while enrolled in Medicare.

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Data herein has been sourced from Medicare.

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