

Mandatory Medicare After March 31, 1986



OHIO
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Human Resources

This document was developed by Ohio University based on the advice and direction provided by the Social Security Administration (SSA) on the topic of mandatory Medicare after March 31, 1986. This is simply an overview on this topic; should this document and information from the SSA disagree, the SSA will always govern.

Ohio University faculty and staff hired after March 31, 1986, pay a premium to Medicare (the deduction can be found on the individual's pay stub). Faculty and staff hired prior to April 1, 1986, are not subject to the premium.

The premium that is contributed by individuals hired after March 31, 1986 is applied toward Medicare Part A *NOT* Medicare Part B.

Medicare Part A is for *Hospitalization* and Medicare Part B is for *Medical*.

If a person does not have 40 quarters of contributions to Medicare he/she will not qualify for Medicare Part A. This coverage can be purchased by those who do not have the qualifying contributions; the 2006 monthly premium is \$393. Medicare Part B can be purchased regardless of contributions to the Social Security Administration or Medicare, the current premium for part B is approximately \$89 per month.

Currently Ohio Public Employees Retirement System (OPERS) reimburses the total Medicare B premium for qualified members (those eligible for OPERS healthcare ~ see FAQ #4 at the following link): <http://www.opers.org/faqs/index.shtml#HealthCare>

The State Teachers Retirement System of Ohio (STRS) reimburses a portion of the Medicare B premium based on years of service (refer to the following link for more details):
<http://www.strsoh.org/HealthCare/6.html>

OPERS and STRS do offer lower health care premiums for members that qualify for Medicare A; however, the lower premiums are not substantial enough for a person to purchase the Medicare A coverage.

Premiums for STRS's health care coverage options can be reviewed at the following link:
<http://www.strsoh.org/pdfs/2006premiums.pdf>

OPERS Monthly Health Care Premiums for 2006

The following is taken from page 14 of the OPERS Health Care Coverage Book 2006; available online at: <http://www.opers.org/retiree/healthcare/2006CoverageBook.pdf#zoom=fitwidth>

2006 Monthly Premiums for the Ohio PERS Health Care Plan <i>page 14 Ohio PERS Health Care Plan Coverage Book 2006</i>		
	Medical Mutual	Aetna
Recipient under age 65	-0-	\$10.66
Recipient eligible for Medicare A:	-0-	-0-
Recipient over 65 without Medicare A:	-0-	\$8.94
Spouse under age 65	\$80.00	\$90.66
Spouse eligible for Medicare A:	\$40.00	\$40.00
Spouse over 65 without Medicare A:	\$80.00	\$88.94

A person could have access to Medicare part A through a spouse or ex-spouse (if married 10 years and not currently married or remarriage occurred after age 60) and that person (the spouse or ex-spouse) had the qualifying 40 quarters.

Frequently Asked Questions

Below are frequently asked questions specific to the Medicare deduction applicable to employees hired after March 31, 1986:

Source: <http://www.ssa.gov/>

Who is subject to mandatory Medicare?

State and local government employees hired after March 31, 1986, are mandatorily covered for Medicare Hospital Insurance (HI) unless specifically excluded under Section 210(p) of the Social Security Act. Public employees covered for Social Security under a Section 218 Agreement are automatically covered for Medicare.

Can an employee get Medicare-only coverage?

Employees hired by a State or local government before April 1, 1986, are exempt from mandatory Medicare HI coverage if he/she has been in continuous employment with the same State or local government employer since March 31, 1986, and are members of a public retirement system. Employers may, however, voluntarily extend Medicare HI-only coverage to such employees under a Section 218 Agreement. If a State or local government employer wants to provide Medicare HI-only coverage for employees hired before April 1, 1986, the employer should contact their State Social Security Administrator.

If a local government has a qualifying public retirement system and does not have a Section 218 Agreement, can employees elect to participate in social security on a voluntary basis?

No. An employee can only participate in social security if the position is covered by either mandatory coverage or a Section 218 Agreement. A Section 218 Agreement is an agreement between a State and the Social Security Administration to provide social security and Medicare coverage for state and local government employees.

Note: the State of Ohio does not have a Section 218 Agreement with the federal government that would authorize payment into social security (which would include Medicare).