

## QUICK GUIDE TO MEDICARE

### The Parts of Medicare

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**Part A: Hospital Insurance.** Includes admitted/emergent hospital care, skilled nursing facilities, nursing homes, hospice, and limited home health services.

**Part B: Medical Insurance.** Includes physicians' services, preventive care, outpatient hospital services, lab tests, mental health care, certain home health services, and durable medical equipment.

**Part C: Advantage Plans.** Part C is an alternative to both Parts A and B, and it includes the benefits and services covered under Parts A and B, and usually Part D. You can select a PPO or HMO healthcare plan that is run by a Medicare-approved private insurance company. Make sure to select a plan that covers your preferred healthcare providers.

**Part D: Prescription Drug Coverage.** You have different plans to choose from, depending on where you live, along with different premiums and formularies. Make sure to select a plan that covers the prescriptions you take or may need.

### Medicare Cost in 2025

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**Part A:** If you have already paid into Medicare while working over your lifetime, the monthly premium is free.

**Part B:** The Part B monthly premium is generally \$185.00, depending on your income two years prior to enrollment, and there is an annual deductible of \$257 for calendar year 2025. The cost share for Part B coverage is 80/20, which means that once you have paid your deductible, Medicare will cover 80% of your health care costs, and you will be responsible for 20%. With Part B coverage, there is NO out-of-pocket maximum.

If your yearly income in 2023 was			You pay (in 2025)
File individual tax return	File joint tax return	File married, separate tax return	
\$106,000 or less	\$212,000 or less	\$106,000 or less	\$185.00
above \$106,000 up to \$133,000	above \$212,000 up to \$266,000	n/a	\$259.00
above \$133,000 up to \$167,000	above \$266,000 up to \$334,000	n/a	\$370.00
above \$167,000 up to \$200,000	above \$334,000 up to \$400,000	n/a	\$480.90
above \$200,000 up to \$500,000	above \$400,000 up to \$750,000	above \$106,000 up to \$394,000	\$591.90
\$500,000 or above	\$750,000 or above	\$394,000 or above	\$628.90

**Part C:** As an alternative to Parts A and B, and sometimes D, the premiums for this plan are usually at least the same as Part B (\$185.00) or more, but vary based on the plan you chose. The deductibles, cost share, and out-of-pocket maximums will vary based on the insurance plan you select.

**Part D:** The premiums for prescription drug coverage vary by plan and cost more for those with higher income levels. The national base premium is \$36.78/month, and the table of Part D premium cost, per salary

adjustment, is provided below.

If your yearly income in 2023 was			You pay (in 2025)
File individual tax return	File joint tax return	File married, separate tax return	
\$106,000 or less	\$212,000 or less	\$106,000 or less	\$0.00
above \$106,000 up to \$133,000	above \$212,000 up to \$266,000	n/a	\$13.70
above \$133,000 up to \$167,000	above \$266,000 up to \$334,000	n/a	\$35.30
above \$167,000 up to \$200,000	above \$334,000 up to \$400,000	n/a	\$57.00
above \$200,000 up to \$500,000	above \$400,000 up to \$750,000	above \$106,000 up to \$394,000	\$78.60
\$500,000 or above	\$750,000 or above	\$394,000 or above	\$85.80

## Medigap Plans

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A Medigap plan is a supplemental insurance plan that helps pay for your deductibles, copayments, and cost share amounts. Plans are labeled as A through N with each plan offering the same basic benefits. The premiums and deductibles vary with each plan. If you have chosen original Medicare (Parts A and B), there is a 20% coinsurance amount, and a Medigap plan can help pay for that expense. Learn more on available [Medigap Plan Benefits](#) and how [Medigap works](#).

## Medicare Limits

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Medicare does not cover certain services, such as: long-term care, most dental care, eye exams related to prescription glasses, dentures, cosmetic surgery, acupuncture, hearing aids, and routine foot care. These services may be covered by some Medicare Advantage (Part C) or Medigap plans.

## When to Enroll

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Pepperdine employees covered under a University medical plan are not required to enroll in Medicare when they turn 65. While employed and covered under a group plan, Medicare coverage would only provide secondary coverage, and Medicare enrollment may make you ineligible for certain benefits.

If you enroll in any part of Medicare (A, B, or D), you can no longer contribute to a Health Savings Account (HSA). Please be aware that if you choose to delay Medicare enrollment because you wish to continue to contribute to an HSA, you must also wait to collect Social Security retirement benefits. You cannot decline Part A while collecting Social Security.

However, there may be certain cost savings associated with transitioning from a group plan to Medicare.

When planning for retirement after age 65, you should contact Human Resources ([benefits@pepperdine.edu](mailto:benefits@pepperdine.edu)) to request a completed [Request for Employment Information Form](#) that will allow you to enroll in Medicare coverage without a penalty. This form should be requested from Human Resources at least 3 months prior to your planned retirement date.

## Additional Resources

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- Obtain direct assistance through the [Medicare Plan Finder](#) or by calling 1.800.633.4277.
- Contact Health Advocate (866.799.2728) for help with supplemental Medicare plans based on unique needs you may have.
- If you are eligible<sup>1</sup> for Pepperdine's Retiree Health Plan, contact BPAS (866.401.5272) to determine eligible healthcare expenses that can be applied to these funds during your retirement years.

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<sup>1</sup> Vesting for Retiree Health Plan employer funds occurs at either 1) age 55 and 10 years of service, or 2) age 65 and 5 years of service.