

STRONG TOWER ADVISORS · PRINTABLE GUIDE

Retiring Before Medicare Checklist

A step-by-step organizer for the years between your last employer health plan and Medicare at 65. It includes a timeline checklist, a side-by-side coverage-bridge comparison, an annual cost worksheet and a Marketplace income planner.

How to use this guide

Start at least six months before you plan to leave work. Price at least two realistic coverage paths, and write the numbers in Worksheet 1. Then estimate the household income you expect for each calendar year before 65, because Marketplace savings are based on income, not on assets.

2026 figures were checked against official sources in October 2026. Numbers labeled

HYPOTHETICAL are illustrations only.

Key dates and deadlines

Deadlines that commonly apply when job-based coverage ends (confirm your plan's dates)

Event	General rule	Your date
Employer coverage end date	Set by your plan. It is often the last day of the month you leave, but not always.	
COBRA election	You generally have at least 60 days to elect COBRA, counted from the later of the date coverage ends or the date the election notice is provided. Coverage generally lasts up to 18 months after job loss.	

Event	General rule	Your date
Marketplace Special Enrollment Period	Losing job-based coverage generally opens a 60-day window to enroll in a Marketplace plan. HealthCare.gov allows you to apply up to 60 days before the coverage ends.	
Spouse's employer plan	Group plans generally must offer at least 30 days of special enrollment after a loss of other coverage. Ask the plan for its exact window.	
Marketplace annual open enrollment	Usually starts November 1. Check HealthCare.gov or your state Marketplace for the current year's end date.	
Medicare Initial Enrollment Period	Seven months: 3 months before your 65th-birthday month, that month, and 3 months after.	
HSA contribution cutoff	Medicare.gov advises stopping HSA contributions 6 months before you apply for Medicare or Social Security after 65, because premium-free Part A can be retroactive up to 6 months.	

Timeline checklist

6 TO 12 MONTHS BEFORE LEAVING WORK

- ☐ Confirm the exact date your employer coverage ends, for you and for any covered spouse or dependents.
- ☐ Ask HR whether any retiree medical coverage, health reimbursement arrangement (HRA) or bridge subsidy exists, and what it costs.
- ☐ Request a COBRA premium estimate for every person who would be covered.
- ☐ If married, ask your spouse's employer about adding you, including cost and the enrollment window.
- ☐ List your doctors, hospitals, specialists and prescriptions, with dosages and preferred pharmacy.
- ☐ Preview Marketplace plans for your ZIP code at HealthCare.gov, or Get Covered Illinois if you live in Illinois.
- ☐ Estimate your household modified adjusted gross income (MAGI) for each calendar year until 65 (Worksheet 3).

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- ☐ Review your HSA balance and whether you are still eligible to contribute this year.
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60 TO 90 DAYS BEFORE

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- ☐ Fill in Worksheet 1 for at least two coverage paths.
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- ☐ Check each option's network for your key doctors and its formulary for your prescriptions.
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- ☐ Decide how premiums will be paid each month, and from which account.
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- ☐ Schedule any planned procedures, refills and checkups while you know which coverage applies.
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- ☐ Coordinate the timing of bonuses, vacation payouts and deferred compensation, which can change this year's income.
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THE MONTH COVERAGE ENDS

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- ☐ Submit your Marketplace application, COBRA election or spouse-plan enrollment within its deadline.
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- ☐ Confirm the new coverage start date in writing, so there is no gap.
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- ☐ Keep the COBRA notice and your proof of coverage loss.
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- ☐ Set up automatic premium payments so a missed payment does not end coverage.
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EACH YEAR UNTIL 65

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- ☐ Update your Marketplace income estimate whenever income changes during the year.
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- ☐ Re-shop during open enrollment, since premiums, networks and formularies change.
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- ☐ Track withdrawals, Roth conversions and capital gains, because they can change MAGI.
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- ☐ Save Form 1095-A and reconcile premium tax credits on your tax return using Form 8962.
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THE YEAR BEFORE 65

- ☐ Mark your Medicare Initial Enrollment Period on the calendar.
- ☐ Plan to end Marketplace coverage or COBRA once Medicare begins, and confirm the end date.
- ☐ Stop HSA contributions in time; see the Medicare at 65 Checklist.
- ☐ Make a separate coverage plan for a younger spouse who will not yet be eligible for Medicare.

Worksheet 1: Coverage-bridge comparison

Write one coverage option per column. Leave a column blank if that option is not available to you.

Worksheet 1: Side-by-side coverage comparison

Question	COBRA	Marketplace plan	Spouse's employer plan	Retiree coverage
Monthly premium (all covered people)				
Premium tax credit, if any (Marketplace only)				
Annual deductible				
Out-of-pocket maximum				
Do my doctors and hospitals participate?				
Are my prescriptions covered, and at what tier?				
Does the deductible already met this year carry over?				
How long is it available?				
Does my income change the cost?				
Is it HSA-eligible (high-deductible health plan)?				
What happens when I turn 65?				
Coverage for travel or out-of-state care				

Worksheet 2: Annual cost — expected and worst case

Worksheet 2: Annual cost by option

Line	Option A	Option B
a. Monthly premium after any credit × 12		
b. Expected out-of-pocket (routine visits, prescriptions)		
c. Expected annual cost (a + b)		
d. Out-of-pocket maximum		
e. Worst-case annual cost (a + d)		

Compare both line c and line e. A low premium with a high out-of-pocket maximum can look inexpensive until a hospital stay occurs. Your reserve plan should be able to absorb line e.

Worksheet 3: Marketplace income (MAGI) planner

For Marketplace savings, MAGI is your adjusted gross income plus any non-taxable Social Security benefits, tax-exempt interest and excluded foreign income. The table shows how common retirement cash sources generally count. Your own tax treatment depends on your facts.

Worksheet 3: Estimated household MAGI by calendar year

Income source	Generally counts toward MAGI?	Year 1	Year 2	Year 3
Wages and self-employment income (net)	Yes			
Pension payments	Yes, the taxable portion			
Traditional 401(k)/IRA withdrawals	Yes, the taxable portion			
Roth conversions	Yes, the taxable amount			
Qualified Roth IRA distributions	Generally no			
Social Security benefits	Yes, including the non-taxable part			
Interest, dividends and realized capital gains	Yes, including tax-exempt interest			
Spending from cash savings (principal)	No			

Income source	Generally counts toward MAGI?	Year 1	Year 2	Year 3
Total estimated MAGI				

Why the 400% line matters in 2026

The temporary enhanced premium tax credits that applied from 2021 through 2025 expired at the end of 2025. As of this October 2026 review, they had not been restored. For 2026 coverage, households with income above 400% of the federal poverty level are generally not eligible for a premium tax credit. That is \$62,600 for one person and \$84,600 for a two-person household in the 48 contiguous states. Below that line, the expected contribution toward the benchmark silver plan rises with income and reaches 9.96% of household income at the top of the range. There is also no repayment cap on excess advance credits for 2026 coverage, so an income estimate that is too low can mean repaying the full excess at tax time.

HYPOTHETICAL Assume a single 63-year-old whose benchmark silver plan costs \$1,100 per month. With MAGI of \$60,000 (under 400% of poverty), the expected contribution is about $9.96\% \times \$60,000 = \$5,976$ per year, or about \$498 per month, so the credit would be roughly \$602 per month. With MAGI of \$63,000 (over the line), the credit would be \$0, and the full \$1,100 premium would apply. In this illustration, \$3,000 of extra income costs about \$7,200 of credit. The premium amount is invented for illustration. Actual premiums depend on age, location and plan.

Questions to ask

Your HR or benefits office

- ☐ What is the exact end date of my coverage and my spouse's coverage?
- ☐ What will COBRA cost per month, and when will the election notice be mailed?
- ☐ Do I have retiree coverage? If so, what happens to it when I become eligible for Medicare?

A Marketplace plan or navigator

- ☐ Which plans in my area include my doctors and prescriptions?
- ☐ How do I report an income change during the year?

☐ When does coverage start if I apply before, or after, my job-based coverage ends?

Your tax professional

☐ How would a planned IRA withdrawal, Roth conversion or capital gain change my MAGI?

☐ Should I adjust withholding or estimated payments for credit reconciliation?

Common mistakes

- **Missing the 60-day window.** After it closes, you may have to wait for the next open enrollment.
- **Comparing premiums only.** Deductibles, networks and prescription tiers can outweigh a lower premium.
- **Treating COBRA as a Medicare extension.** COBRA does not create a Medicare Part B Special Enrollment Period. Medicare.gov says not to wait for COBRA to end before signing up for Part B.
- **Forgetting the Marketplace counts the household.** A spouse's wages or Social Security can push household income over the 400% line.
- **Taking a large one-time withdrawal in a Marketplace year** without checking the effect on premium tax credits.
- **Leaving a younger spouse uncovered** when the older spouse moves to Medicare.

Where to get official help

- **HealthCare.gov:** 1-800-318-2596. In Illinois, use **Get Covered Illinois**, the state's official Marketplace since the 2026 plan year.
- **COBRA questions:** U.S. Department of Labor, Employee Benefits Security Administration, 1-866-444-3272.
- **Medicare at 65:** Medicare.gov, 1-800-MEDICARE. Free counseling is available through your State Health Insurance Assistance Program (SHIP).

Sources

- U.S. Department of Labor — COBRA continuation coverage FAQs
- HealthCare.gov — If you lose job-based coverage

- [HealthCare.gov](#) — What to include as income (MAGI)
 - [Congressional Research Service](#) — ACA premium tax credit after 2025
 - [IRS](#) — Questions and answers on the premium tax credit
 - [IRS](#) — Rev. Proc. 2025-25 (2026 applicable percentage table)
 - [Medicare.gov](#) — Working past 65, COBRA and HSAs
 - [Get Covered Illinois](#) — Illinois health insurance Marketplace
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