

Retirement: SSDI and Medicare

Quick Look: There are a few scenarios to consider as you get closer to retirement age. For those born after 1960, the Social Security Administration (SSA) has set the Full Retirement Age (FRA) at 67. Different retirement rules may apply based on your retirement age, the type of benefits you receive, and if you have countable income. There also may be changes to your Medicare benefits as you transition to retirement.

SSDI and Retirement

Once you have reached FRA, your benefits will automatically be converted to Retirement Insurance Benefits (RIB) in the same month. [Your FRA is based on your year of birth.](#) To see a full list, visit the resources section at the bottom of this fact sheet. No further action is required on your part, and your benefit amount will not decrease. Additionally, once you have reached FRA, the SSA will no longer look at your income. This means you can earn as much as you would like without impacting your SSDI benefits. You will also no longer need to complete any Continuing Disability Reviews (CDRs).

There are a few other changes you may need to know as well. If you are receiving retirement benefits, you will no longer be eligible for a Plan to Achieve Self-Sufficiency (PASS) plan. However, if you began and were approved for a PASS plan before your FRA, your PASS plan may continue to completion. Also, you will no longer be eligible to participate in the Ticket to Work program because you are no longer required to complete a CDR.

Early Retirement

Transitioning to retirement benefits when you have met your FRA is the most ideal scenario. However, sometimes it may be more beneficial for you to begin to take retirement as early as 62. Opting to take your retirement benefits early will reduce your benefits by as much as 30%. You might consider this scenario if you are working and have used your Trial Work Period months or receiving a monetary benefit not counted by RIB, such as Worker's Compensation. However, some work rules and incentives may still apply until you reach FRA. As you near early retirement age, you should speak with your Community Work Incentive Coordinator (CWIC) or Work Incentive & Planning Assistance (WIPA) about how retirement benefits may look for you.

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Disabled Widow(er) Benefits (DWB)

If you are receiving DWB, your benefits will be automatically converted to Widow(er)'s Benefits (WIB) once FRA has been reached. When receiving WIB, the same rules apply as if you were receiving RIB benefits as defined above. However, there may be earning limits if you work while getting these benefits. As you near early retirement age, you should speak with your CWIC or WIPA about how these benefits may look for you.

Child Disability Benefits (CDB)

If you are receiving CDB, reaching FRA does not change your CDB benefit amount. However, these benefits do not change to RIB once FRA is reached as they were not based on your record, but rather on your parents' records. Because of this, these benefits will still be subjected to the work rules and incentives. Additionally, your entitlement to Medicare will also continue because you receive these benefits.

Medicare and Retirement

When you turn 65, your entitlement to Medicare automatically switches to Medicare based on age. As your SSDI benefits are no longer impacted by your income, you will not use the Extended Period of Medicare Coverage or Premium Health Insurance for the Working Disabled work incentives to maintain your Medicare benefits. In this transition, a new period of Medicare entitlement occurs, and Social Security will not apply any premium penalties you had for Part B or D. In addition, a new enrollment period will also begin for Part B, C, and D.

If you choose to take an early retirement, you will lose access to Medicare until you are 65. You should speak with [the State Health Insurance Counseling and Assistance Program \(SHIPs\)](#) to better understand your choices especially if you are working and over 65 years old. SHIP provides free one-on-one Medicare counseling to help you make informed decisions about your Medicare bills, appeals, and Medicare consumer rights.

Important Links:

Full Retirement Age Chart: www.ssa.gov/benefits/retirement/planner/agereduction.html

SHIP(s): www.in.gov/ship/

Source: www.ssa.gov. Reviewed by the Center on Community Living and Careers.

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**For more information, contact the
Indiana Benefits Information Network**
812-855-6508 | www.iidc.indiana.edu/cclc

Indiana's Work Incentive Planning and Assistance Program
North/Central: 855-641-8382 | Southern: 502-548-4492