Retiring Before 65?

Here's How to Bridge the Healthcare Gap Until Medicare

By Randy Dillard

One of the happiest days of your life may be the day you decide to retire.

One of the most stressful can be the day you realize your employer health insurance is ending.

If you're retiring before age 65, you're not alone. Many people are ready to leave the workforce years before they become eligible for Medicare. The good news is that you have options.

The challenge is choosing the one that fits your health, your budget, and your retirement plans.

Let's walk through them together.

"Before You Hand In Your Retirement Notice..."

Ask yourself these five questions:

 How will I replace my employer health insurance?

 What will my monthly premium be?

 Could I qualify for Marketplace financial assistance?

 How will my retirement income affect my healthcare costs?

 Do I have a plan until Medicare begins?

First Things First

If you're under 65, **Medicare generally isn't available yet** unless you qualify because of certain disabilities or specific medical conditions.

That means you'll need another source of health insurance until Medicare begins.

The good news is that there are several possibilities.

Option 1: Keep Your Employer Coverage (COBRA)

If you're leaving a job that offers health insurance, you may be able to continue that coverage for a limited time through COBRA.

Advantages

- Keep the doctors you already know.
- No need to learn a new insurance plan right away.
- Gives you time to decide what to do next.

Things to Consider

- You may be responsible for paying the full premium.
- COBRA coverage is temporary.
- It may not be the most affordable long-term solution.

Option 2: Individual Health Insurance

Many early retirees purchase their own health insurance through the Health Insurance Marketplace or directly from insurance companies.

Depending on your household income and other eligibility factors, you may qualify for financial assistance that lowers your monthly premium.

This is why planning ahead matters. The way you structure your retirement income can sometimes affect what assistance you may qualify for.

Option 3: Coverage Through Your Spouse

If your spouse is still working and has employer-sponsored health insurance, joining their plan may be an option.

Sometimes this is the simplest and most cost-effective solution.

Option 4: Part-Time Employment With Benefits

Some retirees decide they aren't finished working—they're simply ready for something different.

A part-time job that offers health insurance can help bridge the gap until Medicare while providing additional income and keeping you active.

Don't Let Healthcare Derail Your Retirement

One of the biggest mistakes I see is people focusing only on whether they have enough money to retire.

A better question is:

"Can I afford healthcare until Medicare begins?"

The answer may affect:

- How much you withdraw from savings
- When you claim Social Security
- Whether you continue working
- How much income tax you pay
- Your overall retirement budget

Healthcare planning is retirement planning.

Why Planning Ahead Can Save Money

Waiting until the last minute often limits your choices.

Planning ahead gives you time to:

- Compare your options.
- Understand your costs.
- Coordinate your retirement income with your healthcare decisions.
- Avoid unnecessary surprises.

Even small decisions can have a meaningful impact over several years.

You're Not Expected to Figure This Out Alone

Retiring before Medicare is one of the biggest financial transitions you'll ever make.

It's okay to have questions.

A conversation with someone who understands both retirement planning and health insurance can help you understand your options and make informed decisions based on your personal circumstances.

My Advice

Over the years, I've found that the people who enjoy retirement the most aren't always the ones with the largest retirement accounts.

They're the ones who planned ahead.

They knew where their income was coming from.

They understood their healthcare options.

And they entered retirement with confidence instead of uncertainty.

If you're thinking about retiring before age 65, now is the perfect time to begin the conversation.

Sometimes all it takes is a simple plan to turn a stressful decision into an exciting new chapter.

Let's Chat.