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Retired Before 65? Early Retirement Health Insurance Options Before Medicare

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KEY POINTS

- Leaving your job before 65 usually ends your employer coverage you need a plan for the time before Medicare eligibility.
- COBRA lets you keep your employer plan for up to 18 months ir cases, and you generally pay the full premium plus up to 2%.
- You can choose a Marketplace plan through a Special Enrollmen Period from 60 days before to 60 days after your coverage ends
- Marketplace coverage doesn't end on its own when Medicare st update your application with your Medicare start date.

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If you retire before 65 and lose job-based coverage, there are a few o before Medicare starts, namely COBRA, a Marketplace plan, a spouse employer plan, or Medicaid if you qualify.

Why There Is a Coverage Gap Before Medicare

Medicare generally becomes available at 65, but many people retire e your job-based health insurance ends when you retire, you'll need an source of health insurance before Medicare. Retiring at 62, for examp mean arranging health insurance for the next three years.

Medicare can start earlier for some people with disabilities or certain conditions, such as End-Stage Renal Disease (ESRD) or ALS. For every Medicare begins at 65, and our guide to Medicare for People Turning explains the typical enrollment rules.

Your Main Health Insurance Options Before Medicare

Health insurance for early retirees comes down to four primary paths a Marketplace plan, a spouse's employer plan, or Medicaid. Your healt insurance options before Medicare also include retiree coverage if yo employer offers it. This table shows how each path works and when y to act.

Option	What to know	Deadline to act
COBRA	Keeps your employer plan, usually at the full premium plus up to 2%, for up to 18 months in most cases.	Within 60 days of notice or your cov end date, whichev is later.
Marketplace plan	An individual plan that may qualify for a premium tax credit based on income and household size.	Within 60 days be after your coverag
Spouse's employer plan	Adds you to the plan through your spouse's job, if the plan allows it.	Plans must give yc least 30 days to re enrollment. Confi the exact deadline the plan.
Medicaid	A state program with eligibility rules based on income and other factors.	Apply any time of
Employer retiree coverage	Offered by some employers, with terms set by the plan.	Ask HR before you last day.

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Question	COBRA	Marketplace pla
What does it cost?	The full premium plus up to 2%.	Depends on the pl any premium tax c
Will I keep my doctors?	You keep your employer plan and its network.	Networks vary by check each doctor
How long does it last?	Up to 18 months in most cases.	Open enrollment renew or change p each year.
What happens at 65?	Generally ends once you become entitled to Medicare.	Doesn't end on its you update your application.

If you elect COBRA, you generally can't drop it outside open enrollme a Marketplace plan instead. Reaching the end of your COBRA covera a new Special Enrollment Period, but ending COBRA early on your ov not. Compare both options before you elect COBRA, because the cho be hard to reverse.

Deadlines to Know When You Leave Your Job

Most deadlines for health insurance for early retirement start when y coverage ends, so it helps to act before your last day. This table puts t dates in one place.

Timing	What to do
Before your last day	Ask HR about COBRA and retiree co and check your spouse's plan.
60 days before to 60 days after coverage ends	Choose a Marketplace plan through a Enrollment Period.
At least 30 days after coverage ends	Request enrollment in your spouse's employer plan. Confirm the exact dea with the plan.
60 days after your notice or coverage end, whichever is later	Elect COBRA.
At least 45 days after you elect COBRA	Make your first COBRA payment.

Timing	What to do
Any time of year	Apply for Medicaid.

Open enrollment for 2027 Marketplace coverage runs November 1, 2 through January 15, 2027 on HealthCare.gov. Our ACA open enrollm guide has the details.

What Happens When You Turn 65

Medicare generally becomes your coverage at 65, so your earlier plar clear end date. COBRA generally ends once you become entitled to M Marketplace coverage doesn't end on its own, so you update your app to report your Medicare start date, which is typically the first day of y birthday month. Medicare.gov recommends you sign up when you're eligible, even if you have Marketplace coverage.

Do You Have a Plan Yet? Where Solace Fits

If you’re still looking for health coverage after retirement, start with HealthCare.gov, a Navigator or certified assister, or a licensed insurar for help choosing and enrolling in a plan.

Once your coverage is active, a Solace advocate can help you underst benefits, find providers, and work through confusing medical bills or c claims.If you’re covered and want that support, talk to a health insura advocate. Solace advocacy is covered by Medicare and most major insurance plans.

92% of patients report a positive impact on their care from working w an advocate.*

Check Your Eligibility →

*Based on a 2023 report by the Coalition of Healthcare Advocacy Organizations.

Eligibility varies by plan. Advocates do not provide medical or legal advice services. Must be 18 years or older.

FAQs

How do people who retire early get health insurance?

Early retirees generally use one of four paths until Medicare starts at COBRA to keep their employer plan, a Marketplace plan bought throu Special Enrollment Period, a spouse's employer plan, or Medicaid if th income qualifies. Some employers also offer retiree coverage. Each pa own deadline, so ask employer benefits staff which options apply befo last day.

Can I retire at 62 and still get health insurance?

Leaving a job and losing job-based coverage opens a Special Enrollme to buy a Marketplace plan, and COBRA is also generally available for months. Retiring at 62 means about three years of coverage to arrang Medicare generally begins at 65. A spouse's employer plan or Medica also be options, depending on your situation.

How much does health insurance cost if you retire early?

Cost depends on your age, state, plan, and income. COBRA usually co full premium, including the share your employer used to pay, plus up t Marketplace premiums depend on the plan you choose, and a premiu credit may lower them based on your household income and size.

Is COBRA or the ACA Marketplace better for early retirees?

Neither is better for everyone. COBRA keeps your current plan and a your doctors but usually costs the full premium. A Marketplace plan n less with a premium tax credit, but networks vary by plan. Compare tl monthly cost and your doctors, and think about how long you need co

How long can I keep COBRA after retiring?

COBRA generally lasts up to 18 months. It can run longer in limited ca to 29 months with a disability extension, or up to 36 months after a se qualifying event.

How long do I have to sign up for a Marketplace plan after I retire?

You can choose a Marketplace plan from 60 days before to 60 days af job-based coverage ends. If you miss that window and don't qualify fo Special Enrollment Period, you may have to wait until open enrollmer

Can I switch from COBRA to a Marketplace plan?

Not whenever you choose: ending COBRA early on your own doesn't Special Enrollment Period, so you would generally wait until open enr Reaching the end of your COBRA coverage does open one. Compare options before you elect COBRA.

What happens to my coverage when I turn 65?

Medicare generally becomes your coverage at 65. COBRA generally e you become entitled to Medicare, and Marketplace coverage doesn't on its own, so you update your application with your Medicare start d Premium tax credits stop once you're eligible for premium-free Part A (hospital coverage).

Leaving work before 65 means making a few coverage decisions in a s window. Start with the deadline closest to your last day and compare

options. Then write down the date your Medicare coverage should be your earlier plan ends on time.

Once your coverage is active, a Solace advocate can take on the calls a paperwork that come with using it. Advocates make the calls and follo you, and one advocate stays with you as long as you need their help. If covered and want that support, talk to a health insurance advocate. S covered by insurance. Check your eligibility.

Eligibility varies by plan. Advocates do not provide medical or legal advice services. Must be 18 years or older.

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Solace puts an advocate in your corner—someone who's spent years in healthcare, knows the system, and takes on the toughest parts of your care. Don't do this alone.

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Eligibility varies by plan. Advocates do not provide medical or legal advice or services. Must be 18 years or older. Consult a licensed health professional or obtain a valid prescription.

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