

Income Related Monthly Adjustment Amount (IRMAA)

**Medicare Premiums:
Rules For Higher-Income
Beneficiaries**

This module will help you

- Define IRMAA
- Understand who pays higher premiums
- Determine how to get help if you disagree with the determination
- Identify resources available

Income-Related Monthly Adjustment Amount (IRMAA)

- Beneficiaries with income above \$85,000/individual and \$170,000/couple required to pay higher premiums
- Medicare Modernization Act of 2003
 - Established Part B income-related premiums
 - Took effect in 2007
- Affordable Care Act (ACA) of 2010
 - Established Part D income-related premiums
 - Took effect in 2011

How is IRMAA determined?

- Social Security Administration (SSA) receives tax returns from the Internal Revenue Service (IRS)
- A sliding scale is used to make the adjustments
- Based on MAGI (Modified Adjusted Gross Income)
 - Total adjusted gross income (AGI) and tax-exempt interest income
 - Based on individual, married, or married filing separate

IRMAA – Part B

If your yearly income in 2014 (for what you pay in 2016) was

File individual tax return	File joint tax return	File married & separate tax return	You pay (in 2016)
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$121.80
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	Not applicable	\$170.50
above \$107,000 up to \$160,000	above \$214,000 up to \$320,000	Not applicable	\$243.60
above \$160,000 up to \$214,000	above \$320,000 up to \$428,000	above \$85,000 and up to \$129,000	\$316.70
above \$214,000	above \$428,000	above \$129,000	\$389.80

IRMAA – Part D

If your filing status and yearly income in 2014 was

File individual tax return	File joint tax return	File married & separate tax return	You pay (in 2016)
\$85,000 or less	\$170,000 or less	\$85,000 or less	your plan premium
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	not applicable	\$12.70 + your plan premium
above \$107,000 up to \$160,000	above \$214,000 up to \$320,000	not applicable	\$32.80 + your plan premium
above \$160,000 up to \$214,000	above \$320,000 up to \$428,000	above \$85,000 up to \$129,000	\$52.80 + your plan premium
above \$214,000	above \$428,000	above \$129,000	\$72.90 + your plan premium

Initial IRMAA Notice from SSA

- Initial Notice from Social Security will advise:
 - Your IRMAA premium amount,
 - How SSA figured your IRMAA,
 - What to do if you disagree with the decision,
 - How you can file an appeal,
 - Where to go if you have any questions

How do I get billed for IRMAA costs?

- Part B & D premiums usually deducted from Social Security benefits
- If the SS benefit is not enough to cover premiums or beneficiary does not draw benefits they will receive a bill (CMS -500)

CMS-500 (0911)
 U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
 CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS)

This is not a bill.

NOTICE OF MEDICARE PREMIUM PAYMENT DUE

BILLING NOTICE DATE: _____
 YOUR CLAIM NUMBER: _____

Use Visa/MasterCard/American Express/Discover or make check/money order payable to "CMS Medicare Insurance." Send payment with the bottom portion of this notice in the enclosed envelope to:

Medicare Premium Collection Center
 P.O. Box 790355
 St. Louis, MO 63179-0355

	Hospital Insurance Part A	+	Medical Insurance Part B	+	IRMAA Part D	=	Total Amount
Current amount due for Part A and/or Part B	\$		\$				\$
Past due amount for Part A and/or Part B	\$		\$				\$
Current amount due for IRMAA Part D					\$		\$
Past due amount for IRMAA Part D					\$		\$

Part A: TERMINATION DATE: _____	TOTAL AMOUNT DUE: \$ _____
Part B: TERMINATION DATE: _____	PAYMENT DUE BY: _____

Last payment received: _____ on _____.

To ensure timely processing, payments must be received by _____. Any payments received after this date will be included in your next notice.

SEE OTHER SIDE FOR IMPORTANT INFORMATION

▼ Please tear at dotted line and return bottom portion with payment ▼

AMOUNT PAID: \$ _____

VISA/MASTERCARD/AMERICAN EXPRESS/DISCOVER NUMBER:
 _____ - _____ - _____ - _____

EXP. DATE: _____ - _____ - _____

SIGNATURE: _____

If your name or address has changed or is incorrect, check here and complete the back of this notice.

If the person is deceased, check here.

CLAIM NUMBER: _____

Show claim number on check or money order.

AMOUNT DUE: \$ _____ DUE BY: _____

Make check/money order payable to: CMS MEDICARE INSURANCE
 DO NOT SEND CASH OR STAMPS.
 SEND PAYMENT TO:
 MEDICARE PREMIUM COLLECTION CENTER
 P.O. BOX 790355
 ST. LOUIS, MO 63179-0355

(over)

What if my income has gone down?

- Contact the Social Security Administration 1-800-772-1213
 - File Form SSA-44
 - Provide evidence
- Life Changing Events
 - Marriage, divorce, death of a spouse
 - Work stoppage or reduction
 - Loss of income-producing property
 - Loss of pension income
 - Employer Settlement Payment

What if I disagree?

- Appeal with Social Security 1-800-772-1213
 - Complete *Request for Reconsideration* (Form SSA-561-U2)
 - Find form online or request a copy form SSA
- If you disagree with the MAGI amounts received from the IRS, you must correct the information with the IRS.

Resources

Medicare

1-800-633-4227

www.medicare.gov

Social Security Administration

1-800-772-1213

www.socialsecurity.gov

Internal Revenue Service

1-800-829-1040

www.irs.gov

Publication *2016 Medicare Costs*:

<https://www.medicare.gov/Pubs/pdf/11579.pdf>

Publication *Understanding Notice of Medicare Premium Payment Due*

<https://www.medicare.gov/pubs/pdf/Understanding%20CMS%20500%20English.pdf>

SSA Publication, *Medicare Premiums: Rules For Higher-Income Beneficiaries*

<https://www.ssa.gov/pubs/EN-05-10536.pdf>

Medicare Information Office

www.medicare.alaska.gov

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