

## **Program Operations Manual System (POMS)**

Effective Dates: 12/29/2009 - Present

**TN 3 (11-10)**

HI 01101.035 Initial IRMAA Determination Notices

### **A. Policy For IRMAA Determination Notices**

The Social Security Administration (SSA) makes initial determinations whether the income-related monthly adjustment amount (IRMAA) applies to Medicare beneficiaries with Part B, or Medicare prescription drug coverage (or both if enrolled in both at the time a determination is made) using IRS data. Beneficiaries receive a notice with information about SSA's determination and appeal rights when we make an initial IRMAA determination for either Medicare Part B or Medicare prescription drug coverage. If a beneficiary has Medicare Part B or Medicare prescription drug coverage only and enrolls in the other program later in the same premium year, the IRMAA determination will automatically be applied to the subsequent enrollment. A Title II Redesign (T2R) notice, which is not an IRMAA specific notice, is sent with the new IRMAA information and appeal rights. These notices will be stored on the Online Retrieval System.

### **B. Targeted Cost-of-Living Adjustment Notices**

SSA sends social security numbers (SSN) of Medicare beneficiaries with Part B or prescription drug coverage who are not eligible for Extra Help or Supplemental Security Income (SSI) to the Internal Revenue Service (IRS) annually. (See HI 03001.020 for Extra Help eligibility.)

If MAGI is above the threshold for the upcoming premium year (see MAGI threshold amounts in HI 01101.010B.), the beneficiary will receive a specific targeted cost-of-living adjustment (COLA) notice which explains IRMAA in detail. The targeted IRMAA COLA notice is an initial determination with appeal rights. The notice explains:

- What information was used to compute IRMAA,
- What the beneficiary can do if the tax information IRS provides is wrong,

- What the beneficiary can do if SSA used information from a tax year that is three years prior to the premium year (PY-3) and the beneficiary has a copy of his filed tax return for the tax year that is two years prior to the premium year (PY-2),
- What the beneficiary can do if the tax filing status of "Married, Filing Separately" for the tax year was used and lived apart from the spouse for the entire year,
- What the beneficiary can do if there was a life changing event (LCE) with a reduction in income, and
- That variable SMI (VSMI) will not apply to Medicare Part B beneficiaries who have to pay IRMAA.

## C. Pre-Determination Notice

New Medicare filers and attainers will be charged the standard Part B premium or the prescription drug plan premium without an IRMAA until we receive MAGI data from IRS. If IRS returns data indicating that a new filer's or attainer's MAGI is above the appropriate threshold, SSA will send a pre-determination notice. This notice will explain:

- That IRMAA will apply,
- What information was used to compute IRMAA,
- What the beneficiary can do if the tax information provided by IRS is wrong,
- What the beneficiary can do if SSA used PY-3 information and the beneficiary has a copy of his filed PY-2 tax return,
- What the beneficiary can do if the tax filing status of "Married, Filing Separately" for the tax year was used and lived apart from his spouse for the entire year, and
- What the beneficiary can do if there was an LCE with a reduction in income.

This notice does not contain appeal rights but will invite beneficiaries to contact SSA within

10 days if the beneficiary believes the information is incorrect before SSA applies IRMAA (e.g., SSA used PY-3 data and the beneficiary has a copy of the Federal income tax return filed for PY-2). After 20 days (5 days mailing time, 10 days for the beneficiary to contact SSA and 5 more days of mailing time), SSA sends an initial determination notice with appeal rights (For information about determination notices, see HI 01101.035D.).

## D. Initial Determination Notice

When SSA makes an initial determination regarding IRMAA, SSA sends a decision notice 20 days or more after issuing the pre-determination notice to new filers and attainees. These notices contain appeal rights and inform the beneficiary to contact SSA if one of the following situations apply:

- The beneficiary experienced an LCE that caused a significant reduction in MAGI (i.e. caused MAGI to go down at least one range in the tables). For an explanation of an LCE, see HI 01120.001.
- SSA used PY-3 data and the beneficiary can supply a copy of the PY-2 Federal income tax return,
- The beneficiary filed and IRS accepted an amended income tax return for the year we are using to set the IRMAA,
- There was an error in the information provided to SSA by IRS and the beneficiary can provide proof from IRS acknowledging the error and the correction, or
- The beneficiary had a filing status of "Married, Filing Separately" and reports living apart from his or her spouse at all times during that tax year.

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<http://policy.ssa.gov/poms.nsf/lnx/0601101035>

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