



Social Security

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

Effective Dates: 02/22/2012 - Present

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### **HI 01194.020 Annual Income-Related Monthly Adjustment Amount (IRMAA) Notice for Medicare Beneficiaries Who Directly Remit Premiums to CMS**

#### **A. Purpose or use**

We send this notice to Medicare beneficiaries who must pay an Income-Related Monthly Adjustment Amount (IRMAA) who directly remit their Part B or Part A and B premiums to the Centers for Medicare and Medicaid. We also send this notice to the few Medicare beneficiaries who have prescription drug coverage but not Part B who must pay IRMAA and title II beneficiaries whose benefit amount is not enough to cover their IRMAA-D. SSA never deducts partial IRMAA-D from a benefit.

#### **B. Sample Annual Income-Related Monthly Adjustment Amount (IRMAA) Notice for Beneficiaries Who Directly Remit Premiums to CMS**

**Social Security Administration**

Date: Month, day, year

Claim Number: xxx-xx-xxxxTA

*Beneficiary Name*

*Address*

*City State Zip*

The Social Security Act requires some people to pay higher premiums for their Medicare Part B (Medical Insurance) and their prescription drug coverage based on their income. Because of your income, your premiums will be increased. The information in this notice about your premiums is for 20xx only.

If you currently do not have Medicare Part B or prescription drug coverage and enroll in 20xx, those premiums will also be increased based on your income.

If you have Medicare Part B the total 20xx premium includes:

- \$xxx.xx for the standard Medicare premium, plus
- any surcharges you may owe for late enrollment, plus;
- \$xx.xx for the income-related monthly adjustment amount based on your 20xx income tax return

You will get a separate notice from the Office of Personnel Management about how this change will affect you.

## **Your Medicare Premiums**

If you are enrolled in Medicare Part B, your Medicare Part B premiums for 20xx include any surcharges for late enrollment or re enrollment, plus an income-related monthly adjustment amount. If you have prescription drug coverage, you will get a separate bill for the income-related monthly adjustment amount. You will get a separate bill regardless of how you ordinarily pay your prescription drug coverage premiums.

Each year to decide if you must pay an income-related monthly adjustment amount, we use your Federal income tax information for the most recent tax year that is available. However, we do not use any information that is more than three years old. We ask the Internal Revenue Service (IRS) for your tax filing status, your adjusted gross income, and your tax-exempt interest income. We

then add your adjusted gross income together with your tax-exempt interest income to get an amount that we call modified adjusted gross income (MAGI). We compare your MAGI with the income thresholds set by Medicare law.

MAGI may include one-time only income, such as capital gains, the sale of property, withdrawals from an Individual Retirement Account (IRA) or conversion from a traditional IRA to a Roth IRA. One-time income will affect your Medicare premium for only one year.

### How We Figured Your Income Related Monthly Adjustment Amounts

The IRS told us that in 20xx you filed your taxes as Head of household. You had an adjusted gross income of \$xx,xxx.xx plus \$xx,xxx.xx in tax-exempt interest income. We added these amounts together to get your MAGI of \$ xxx,xxx.xx.

We used the following table to decide income-related monthly adjustment amounts for the Medicare Part B premiums and prescription drug coverage premiums:

<b>If you filed as:</b>	<b>With MAGI of:</b>	<b>Part B IRMAA is:</b>	<b>Prescription Drug Coverage IRMAA is:</b>
Single, Head of household or Qualifying Widow(er)	\$85,000.01 - \$107,000.00	\$xx.xx	\$xx.xx
	\$107,000.01 - \$160,000.00	\$xxx.xx	\$xx.xx
	\$160,000.01 - \$214,000.00	\$xxx.xx	\$xx.xx
	More than \$214000.00	\$xxx.xx	\$xx.xx
Married, filing jointly	\$170,000.01 - \$214,000.00	\$xx.xx	\$xx.xx
	\$214,000.01 - \$320,000.00	\$xxx.xx	\$xx.xx
	\$320,000.01 - \$428,000.00	\$xxx.xx	\$xx.xx
	More than \$423,000.00	\$xxx.xx	\$xx.xx
Married, filing Separately (if you lived apart	\$85,000,01 - \$129,000.00	\$xxx.xx	\$xx.xx
	More than \$129,000.00	\$xxx.xx	\$xx.xx

**If you filed as:**

**With MAGI of:**

**Part B  
IRMAA is:**

**Prescription  
Drug Coverage  
IRMAA is:**

throughout 20xx, see  
below about Some  
Special Situations)

These income-related monthly adjustment amounts are effective for 2012 only. Next year when we receive updated information from the IRS, we will make a new decision about any income-related adjustment amounts.

### **Some Special Situations That May Apply To You**

If you have a copy of the income tax return you filed with IRS for 20xx, and the MAGI would reduce or eliminate your income-related increase, please contact us. Tell our representative you have a more recent income tax return that could affect your Medicare premiums. We will need to see a copy of the more recent income tax return you filed with IRS.

If your tax filing status was married, filing separately, and you lived apart from your spouse throughout the tax year we used, please call us about your living arrangement. It could lower your IRMAA. We will set up an appointment to discuss that information. You will need to bring a copy of the most recent income tax return you filed with IRS to the appointment.

### **If Your Income Has Gone Down**

In some situations, we can make a new decision about your income-related monthly adjustment amounts. Contact us to request a new decision if your MAGI has gone down at least one range in the table above or has gone below the lowest amounts in the table since you filed your 20xx tax return, AND the decrease in MAGI was caused by any of the following life-changing events:

- You married,
- You divorced, or your marriage was annulled,

- You became a widow or widower,
- You or your spouse stopped working or reduced work hours,
- You or your spouse lost income-producing property due to a disaster or other event beyond your control,
- You or your spouse experienced a scheduled cessation, termination, or reorganization of an employer's pension plan, or
- You or your spouse received a settlement from an employer or former employer because of the employer's closure, bankruptcy or reorganization.

We will use the new lower MAGI to see if we can make a new decision about your income related monthly adjustment amounts. We cannot make a new decision if your income has changed for a reason other than those listed above, such as receiving one-time income from capital gains.

You will need to submit proof of the event listed above that caused your income to go down (such as a death certificate, a letter from your pension fund administrator, or a letter from your employer about your retirement). If you filed an amended or corrected tax return for the year you want changed, you will also need to submit a copy of the tax return with proof it has been received by the IRS.

If your MAGI has gone down at any time during January through September, you will need to tell us before the end of that year so we can correct your income-related monthly adjustment amount in that year. However, if the event that makes your MAGI go down did not occur until October 1 or later in the year, we can correct your income-related monthly adjustment amount for that year if you tell us before the end of March of the following year.

## **If The Information We Used Is Incorrect**

We based the income-related monthly adjustment amounts on information we received from the IRS. If you have proof that the information we received from the IRS was not correct, please contact us to ask for a new decision about your income-related Medicare premiums. If you filed an amended tax return for that year, you will need to show us a copy of your amended Federal income tax return. You also will need to show us a letter or transcript from the IRS acknowledging receipt of your amended return. If the IRS corrected their records of your tax information for the year we used, you will need to show us the letter you received from the IRS. If you do not have all this information, the IRS can help you get it.

If we have included an income-related monthly adjustment amount for your prescription drug coverage, and you do not have a prescription drug coverage, please contact the Centers for Medicare & Medicaid Services (CMS) at 1-800-MEDICARE (1-800-633-4227; TTY 1-877-486-2048). CMS is the only agency that can correct the information about your prescription drug coverage.

## **If You Disagree With Our Decision**

If you disagree with our decision about your income-related monthly adjustment amounts, you have the right to:

- request a new decision if your income has gone down due to any of the life-changing events listed above; or
- request a new decision using more recent tax information if you have amended or corrected tax information for 20xx, or if we used tax information for 20xx; and/or
- appeal this decision.

If you qualify for a new decision on your income-related monthly adjustment amount, we will make a new decision using your tax information. You will not need to file an appeal on this

decision if we find that you qualify for a new decision. If we make a new decision, you will be able to file an appeal on the new decision.

### **If You Want To Appeal This Decision**

If you disagree with this decision about your income-related monthly adjustment amounts, you have the right to appeal. We will review the decision we made to verify that a correct decision was made. A person who did not make the first decision will decide your case.

If you do appeal, we may start withholding your increased premiums before we make our decision on your appeal. If we change our decision about your income-related monthly adjustment amounts, we will correct the amounts and refund any incorrectly withheld premiums.

We based the income-related monthly adjustment amounts of your Medicare Part B and prescription drug coverage premiums on information we received from the IRS. If you request an appeal because you believe that the IRS information is incorrect, we will give you information on how you can contact the IRS to obtain evidence to support your request for a new decision. If you request an appeal because we included amounts for your prescription drug coverage and you do not participate in that program, you will need to contact the Centers for Medicare & Medicaid Services (CMS) at 1-800-MEDICARE (1-800-633-4227; TTY 1-877-486-2048). CMS is the only agency that can correct the information about your prescription drug coverage.

- You have 60 days to ask for an appeal,
- The 60 days start the day after you get this letter. We will assume you received this letter 5 days after the date of the letter, unless you show us that you did not get it within the 5-day period.
- You must have good reason for waiting more than 60 days to ask for an appeal.

- You may contact one of our offices to file your appeal. You may also request an appeal using a Form SSA-561-U2, called "Request for Reconsideration." You can find the form online at [www.socialsecurity.gov/online/ssa-561.pdf](http://www.socialsecurity.gov/online/ssa-561.pdf), or you can call 1-800-772-1213 for help.

### **If You Want Help With Your Appeal**

You can have a friend, representative or someone else help you with your appeal. You should let us know if someone will be helping you. If you pay a fee to someone for helping you, the fee cannot be automatically deducted from your monthly benefits. You are responsible for paying all legal fees.

### **Things To Remember For The Future**

If you have children or grandchildren younger than age 19 who are not covered by health insurance, the Children's Health Insurance Program may help. To find out more, visit [www.insurekidsnow.gov](http://www.insurekidsnow.gov) or call, toll-free,

1-877-KIDS-NOW (1-877-543-7669). The number connects you to your State's program.

The Eldercare Locator is a free public service of the U.S. Administration on Aging. By calling 1-800-677-1116, or visiting [www.eldercare.gov](http://www.eldercare.gov), you can connect with a specialist in your area who can explain programs that give financial, employment, legal, and caregiving help to seniors.

Be aware of scams through the mail, Internet, telephone, or in person. You should be careful when someone asks for personal information, including your Social security number.



## **For More Information Or To Contact Us**

For general information about Social Security, you can visit our website at [www.socialsecurity.gov](http://www.socialsecurity.gov) If you have questions about your Medicare Part B premium, please visit [www.medicare.gov](http://www.medicare.gov). To contact us, call at 1-800-772-1213 (TTY 1-800-325-0778) or visit any Social Security office.

If you have questions about your Medicare coverage, visit [www.medicare.gov](http://www.medicare.gov) or call 1-800-MEDICARE (1-800-633-4227; TTY 1-877-486-2048).

Signature

Regional Commissioner