



How income affects your Medicare prescription drug coverage premiums

Your monthly premium for Medicare prescription drug coverage (Part D) could be higher based on your income. This includes Part D coverage you get from a Medicare Prescription Drug Plan, a Medicare Advantage Plan with prescription drug coverage (like an HMO or PPO), or a Medicare Cost Plan that includes Medicare prescription drug coverage, even if this Part D coverage is through your employer. If your modified adjusted gross income as reported on your IRS tax return from 2 years ago (the most recent tax return information provided to Social Security by the IRS) is more than \$85,000 (individuals and married individuals filing separately) and \$170,000 (married individuals filing jointly), you'll have to pay extra for your Medicare prescription drug coverage. This extra amount is called the income-related monthly adjustment amount. **You'll have to pay this extra amount in addition to your monthly Part D plan premium.**



Who will have to pay the extra amount?

This change affects fewer than 5% of all people with Medicare. **This means most people will continue to pay only the Part D premium their plan charges in 2013.** If you have to pay the extra amount in addition to the Part D plan premium, Social Security will use your reported IRS income to determine how much extra you have to pay. The extra amount is based on your yearly income. Social Security will send you a letter if you have to pay an extra amount in addition to your monthly Part D plan premium. The charts below show the amount you'll have to pay each month.

If your yearly income in 2011 was:		In 2013, you pay:
individual tax return	joint tax return	
\$85,000 or less	\$170,000 or less	your plan premium
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	\$11.60 + your plan premium
above \$107,000 up to \$160,000	above \$214,000 up to \$320,000	\$29.90 + your plan premium
above \$160,000 up to \$214,000	above \$320,000 up to \$428,000	\$48.30 + your plan premium
above \$214,000	above \$428,000	\$66.60 + your plan premium

If your yearly income in 2011 was:	In 2013, you pay:
file married & separate tax return	
\$85,000 or less	your plan premium
above \$85,000 up to \$129,000	\$48.30 + your plan premium
above \$129,000	\$66.60 + your plan premium



How will the extra amount be collected?

The extra amount will be deducted from your monthly Social Security, Railroad Retirement, or Office of Personnel Management check, no matter how you usually pay your plan premium. If you don't get any of these benefits or the extra amount is more than the amount of your check, you'll get a bill from Medicare (or the Railroad Retirement Board (RRB), if you're a Railroad retiree) each month. These bills will be sent out beginning December 2012.

Note: You might get your bill after January. If you get a bill after January, you'll have to pay the extra amount for more than one month at one time.

Important: If you get a bill, you must pay the extra amount to Medicare (or the RRB) and not to your plan. You must pay this amount in order to keep your Part D coverage.

What should I do if I disagree with the decision?

Social Security will send you a letter if your Medicare prescription drug plan premium will change based on your income. This letter will tell you what to do if you disagree. For more information, call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.

What if my income has changed?

If your income has changed due to any of the reasons below and this change will make a significant difference in your income level, call Social Security. Let them know you have new information and may need a new decision about the extra amount you'll be charged each month.

- You married, divorced, or your marriage was annulled
- You became a widow/widower
- You or your spouse stopped working or reduced work hours
- You or your spouse lost income from income-producing property due to a disaster or other event beyond your control
- You or your spouse's employer pension plan was reorganized, terminated, or experienced a scheduled cessation
- You or your spouse got a settlement from an employer or former employer because of the employer's closure, bankruptcy, or reorganization



Do I have to pay this extra amount?

You must pay both the extra amount and your plan's premium each month in order to keep Medicare prescription drug (Part D) coverage.

If you have questions about your Medicare prescription drug coverage or how much you have to pay, call your plan, visit www.medicare.gov, or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have questions about the extra amount you are being charged based on your income, visit www.socialsecurity.gov, or call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.