



## How are Medicare prescription drug coverage premiums changing?

Starting January 1, 2011, 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.

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 will have to pay an extra amount for your Medicare prescription drug coverage. This extra amount is called the income-related monthly adjustment amount. **You will 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 will affect fewer than 5 percent of all people with Medicare.

**This means most people will continue to pay the Part D premium their plan charges in 2011.** 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. Near the end of 2010, 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 will have to pay each month.

If your Yearly income in 2009 was		You Pay
File Individual Tax Return	File Joint Tax Return	
\$85,000 or below	\$170,000 or below	Your Plan Premium
\$85,001-\$107,000	\$170,001-\$214,000	\$12.00 + Your Plan Premium
\$107,001-\$160,000	\$214,001-\$320,000	\$31.10 + Your Plan Premium
\$160,001-\$214,000	\$320,001-\$428,000	\$50.10 + Your Plan Premium
Above \$214,000	Above \$428,000	\$69.10 + Your Plan Premium

If your Yearly income in 2009 was	You Pay
File Married & Separate Tax Return	
\$85,000 or below	Your Plan Premium
\$85,001-\$129,000	\$50.10 + Your Plan Premium
Above \$129,000	\$69.10 + Your Plan Premium



## How will the extra amount be collected?

It 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 that amount is more than the amount of your check, you will get a bill from Medicare each month. These bills will be sent out beginning January 2011.

**Note:** You might get your bill after January. If you get a bill after January, you will have to pay more than one month's worth of premiums at one time.

## What should I do if I disagree with the decision?

Near the end of 2010, 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 difference in your income level, call Social Security at 1-800-772-1213. Let them know you have new information and may need a new decision about the extra amount you will 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 received 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.

### **Questions about your Medicare prescription drug coverage or how much you have to pay?**

Call your plan, visit [medicare.gov](http://medicare.gov), or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

### **Questions about the extra amount you are being charged based on your income?**

Visit [socialsecurity.gov](http://socialsecurity.gov), or call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.