
Income-Related
Monthly Adjustment Amount (IRMAA)
For Medicare Prescription Drug Coverage
Frequently Asked Questions
For Railroad Retirement Board Beneficiaries

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General Information

1. What is the income-related monthly adjustment amount (IRMAA)?

Changes in the law affect how Medicare prescription drug coverage premiums are calculated for those with higher incomes. Beginning January 1, 2011, if you have a higher income, you will pay a higher premium for your Medicare prescription drug coverage (Part D). If your income is \$85,000 or above (individual) or \$170,000 or above (married filing jointly), you must pay an extra premium amount for your Medicare prescription drug coverage. This extra premium amount is called the income-related monthly adjustment amount (IRMAA). This amount is based on your modified adjusted gross income as reported on your IRS tax return from 2 years ago (your most recent tax return).

2. How will I know if I have to pay Part D-IRMAA?

Social Security will send you a letter if you have to pay an extra amount for your Medicare prescription drug coverage. This letter will explain how they determined the amount you must pay and the actual IRMAA amount. Social Security sent you a letter in November 2010 if this applies to you effective January 2011.

3. Exactly how much will my Part D-IRMAA be?

Social Security's letter explains how they determined the amount you must pay and the actual amount.

4. Why am I subject to Part D-IRMAA in addition to my standard prescription drug premium?

A new law changes how Medicare prescription drug coverage premiums are calculated for those with higher incomes. Social Security will send you a letter if you have to pay an extra amount for your Medicare prescription drug coverage. This letter will explain how they determined the amount you must pay and the actual amount. Social Security sent you a letter in November 2010 if this applies to you effective January 2011.

If you disagree with the amount you must contact the Social Security Administration. You can visit them at www.socialsecurity.gov/mediinfo.htm, call 1-800-772-1213, or visit your local Social Security office. TTY users should call 1-800-325-0778.

5. Do I have to pay the Part D-IRMAA?

Yes. You must pay both the extra amount, as well as your plan's premium each month in order to keep Medicare prescription drug coverage.

6. I didn't get a letter from Social Security specifically about Part D-IRMAA, but I got a bill. Why wasn't I notified?

Your income-related monthly adjustment amount (IRMAA) notification was either part of the Social Security benefit rate letter SSA sent you in November or a letter Social Security sent at the beginning of the year if you weren't eligible for benefits. If you don't get a benefit rate letter from SSA, call 1-800-772-1213 and tell the person that you didn't get your benefit rate letter. Social Security will mail you another one. TTY users should call 1-800-325-0778.

Direct Bill

7. Why am I receiving a bill for my Part D-IRMAA, rather than Railroad Retirement Board withholding the amount from my check?

The Railroad Retirement Board (RRB) does not have the resources at this time to make the necessary programming changes to withhold the income-related monthly adjustment amount (IRMAA) for prescription drug coverage from your monthly payment. You will receive a bill from the RRB for the amount of your Part D IRMAA premium each month. You will receive these bills until we have a system in place to withhold this amount from your monthly benefit check.

8. Why am I being billed quarterly for Part B-IRMAA and monthly for Part D-IRMAA?

If your Part B-IRMAA is not being deducted from your monthly railroad retirement payment, you are set up to receive a quarterly bill and will continue to be billed

quarterly. As a result of The Affordable Care Act of 2010, the RRB was required to set up monthly billing for those beneficiaries who have to pay the extra income-related premium amount for their Part D drug plan.

Tax Information

9. How was my IRMAA for my prescription drug coverage premium determined?

Social Security determines whether you will pay a Part D-IRMAA. This is based on your modified adjusted gross income as reported on your IRS tax return from 2 years ago (your most recent tax return information). Your modified adjusted gross income is your taxable income plus your tax exempt income interest.

10. How did you get my tax return information?

The Internal Revenue Service (IRS) provides Social Security with the information necessary to determine whether you must pay the income-related monthly adjustment amount (IRMAA) for your Medicare prescription drug coverage. Social Security asks the IRS for your tax filing status, adjusted gross income, and certain types of tax-exempt income.

11. Which tax year did you use to determine my IRMAA?

To determine your 2011 income-related monthly adjustment amount (IRMAA), Social Security uses the most recent tax return information provided by the Internal Revenue Service (IRS). Generally, this information is from a tax return filed in 2010 (for tax year 2009).

*If your income went down, you didn't need to file a tax return for last year, or you filed an amended tax return for the year used to determine the IRMAA and you received an IRS acknowledgement receipt, call Social Security at **1-800-772-1213** or visit your local Social Security office. TTY users should call 1-800-325-0778.*

12. What tax information was used if I haven't filed a tax return within the last 3 years?

*If you haven't filed a tax return within the last three years because of your income amount, you won't have to pay an income-related monthly adjustment amount (IRMAA). If you get a letter about paying IRMAA, call Social Security at **1-800-772-1213** or visit your local Social Security office. TTY users should call 1-800-325-0778*

If you didn't file a tax return yet for the tax year two years ago (tax year 2009) but did file a tax return for tax year 2008, the IRS will look at your tax return for 2008. If your modified adjusted gross income is above the threshold for IRMAA, you will get a letter from Social Security.

13. What if the tax return information you have is incorrect?

*If you think the tax information that was used to determine your income-related monthly adjustment amount (IRMAA) is incorrect, and you have a letter from the Internal Revenue Service (IRS) acknowledging a correction, or if you amended your tax return and have an acknowledgment receipt from the IRS, call Social Security at **1-800-772-1213** or visit your local Social Security office. You will need to provide the documentation to update your Social Security records in order to correct or remove your IRMAA. TTY users should call 1-800-325-0778.*

14. I am reviewing my tax return information, and I don't seem to meet the income levels for IRMAA. What should I do if I'm charged the Part B- and/or Part D-IRMAA?

Contact Social Security to figure out what you should do if you disagree with their decision that you should be charged the income-related monthly adjustment amount (IRMAA).

You can request an appeal in writing by completing a Request for Reconsideration (SSA- 561-U2) form. To get a copy of the form you can do any of the following:

- *Visit www.socialsecurity.gov/online/ssa-561.pdf.*
- *Call Social Security at **1-800-772-1213** to request an appeal form to be sent to you. TTY users should call 1-800-325-0778.*
- *Schedule an appointment with your local Social Security office.*

15. How often will Social Security re-evaluate whether I am subject to IRMAA?

Social Security evaluates whether you must pay an income-related monthly adjustment amount (IRMAA) each year using your Federal income tax information for the most recent tax year that is available.

16. What is included in my modified adjusted gross income (MAGI)?

Your modified adjusted gross income (MAGI) is the sum of your adjusted gross income and any tax-exempt interest income you may have. For the purposes of determining your adjusted gross income look at line 37 of your Internal Revenue Service (IRS) form 1040. Your tax-exempt interest income is on line 8b of your IRS form 1040.

*For more information, visit www.socialsecurity.gov/mediinfo.htm, call **1-800-772-1213**, or visit your local Social Security office. TTY users should call 1-800-325-0778.*

Income decrease

17. What if my income goes down?

There are a few circumstances that could change or lower the Part D-IRMAA amount for an individual. They are:

- *An individual's income goes down;*
- *An individual filed an amended tax return;*
- *Someone got married or divorced, or became widowed;*
- *An individual or their spouse stopped working or reduced their work hours;*
- *A individual or their spouse lost income-producing property due to a disaster or other event beyond their control;*
- *An individual or their spouse experienced a scheduled cessation, termination, or reorganization of an employer's pension plan; or*
- *An individual or their spouse received a settlement from an employer or former employer because of the employer's closure, bankruptcy, or reorganization.*

If one of these circumstances occurred, the individual can ask for a new determination regarding Part D-IRMAA. They will need to provide Social Security with evidence of the event and proof or an estimate of the lower income. Evidence of the event could be an original or certified marriage certificate, death certificate or

divorce decree. Proof of a change in their 2010 income could be a copy of their return for tax year 2010 or an estimate if they haven't yet filed their 2010 taxes.

If an individual's income increases, there will be a reassessment to their Part D-IRMAA amount to be applied for the following year.

*To report a life-changing event, use [Form SSA-44, Medicare Income-Related Monthly Adjustment Amount - Life-Changing Event](#) available at www.socialsecurity.gov/online/ssa-44.pdf, call **1-800-772-1213**, or visit the local Social Security office. TTY users should call 1-800-325-0778.*

Reconsiderations and Appeals

18. What if I disagree with the IRMAA determination?

If you disagree with Social Security's determination of your income-related monthly adjustment amount (IRMAA), you may ask for a new decision or appeal.

You can ask for a new decision without having to file an appeal if

- *You married, divorced, or became widowed;*
- *You or your spouse stopped working or reduced your 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.*

You will need to show SSA evidence of the event and provide proof or an estimate of your lower income. Evidence of the event could be an original or certified marriage certificate, death certificate or divorce decree. Proof of a change in your 2010 income could be a copy of your return for tax year 2010 or an estimate if you haven't yet filed your 2010 taxes. If you expect your income won't change until the current year, you can give SSA an estimate of what you think your income will be.

If one of these events affected your income, complete form SSA-44 at www.socialsecurity.gov/online/ssa-44.pdf or visit your local Social Security office.

You also have the right to request an appeal (also known as a reconsideration). You have 60 days to ask for an appeal, beginning with the date you receive the letter notifying you that you owe Part D-IRMAA. SSA will assume you receive your notice 5

days after the date of the letter, unless you show that you didn't get it within the 5-day period. You must have a good reason for waiting more than 60 days to ask for an appeal.

You can request an appeal in writing by completing a Request for Reconsideration form (SSA-561-U2). To get a copy of the form, you can do the following:

- *Visit www.socialsecurity.gov/online/ssa-561.pdf;*
- *Call 1-800-772-1213 to request an appeal form to be sent to you. TTY users should call 1-800-325-0778.; or*
- *Schedule an appointment with your local Social Security office.*

19. Do I have to pay IRMAA while I am appealing?

Yes. If you file an appeal of an income-related monthly adjustment amount (IRMAA) determination, the RRB will continue to bill you or withhold for your Medicare Part B and will continue to bill for your Part D IRMAA until they make a decision on your appeal. If they change their decision about your IRMAA, the RRB will refund any incorrect amounts paid.

20. Can I still appeal the IRMAA determination if I haven't experienced any life-changing event?

Yes. You'll need to request an appeal in writing by completing a Request for Reconsideration form (SSA-561-U2). You can get a copy of this form by doing one of the following:

- *Find the appeal form online at <http://www.socialsecurity.gov/online/ssa-561.pdf>.*
- *Call Social Security at 1-800-772-1213 to request an appeal form be sent to you. TTY users should call 1-800-325-0778.*
- *If you need help completing the form, schedule an appointment with your local Social Security office.*

21. Can you help me determine if I can appeal my IRMAA?

If you had a life-changing event that reduced your income, you can request a new decision without filing an appeal. If you amended your tax return for the year SSA is using to set your income-related monthly adjustment amount (IRMAA) and you received a receipt from the Internal Revenue Service, you can ask for a new decision about your IRMAA. If Social Security is using your tax return from three years before to set your IRMAA and you have a copy of a return you filed from two years before, you can ask for a new decision. You can also appeal any of SSA's decisions.

22. Can I file an appeal over the phone?

*No. If you want to file an appeal of an income-related monthly adjustment amount (IRMAA) determination, you must do so in writing. Call Social Security at **1-800-772-1213** to request an appeal form. TTY users should call 1-800-325-0778.*

23. What if I disagree with the decision of my IRMAA reconsideration?

Social Security will send you a letter explaining how you can have your information reviewed by an administrative law judge in the Office of Medicare Hearings and Appeals.

Disenrollment

24. Will I still be charged the Part D-IRMAA if I'm no longer in a Medicare prescription drug plan?

*If you no longer have Medicare prescription drug coverage, you shouldn't be charged the income-related monthly adjustment amount (IRMAA). If you continue to be billed for IRMAA, call **1-800-MEDICARE (1-800-633-4227)** to make sure Medicare (CMS) knows you are no longer enrolled in a Medicare prescription drug plan. Social Security needs notification from CMS that you are no longer enrolled in a Medicare prescription drug plan to stop charging the Part D-IRMAA. The time needed to share this information may cause a delay in processing the stop of your part D-IRMAA. If you didn't pay the IRMAA before disenrolling, you are responsible for the past due amount. TTY users should call 1-877-486-2048.*

IRMAA Part B vs. IRMAA Part D

25. Why am I getting a bill for Part B-IRMAA but not Part D-IRMAA?

*If you have your premium deducted from your monthly payment or receive a bill for Part B-IRMAA and you are enrolled in a Medicare prescription drug plan, you should get a bill for your prescription drug coverage IRMAA. If you don't get a bill for your Part D-IRMAA, call **1-800-MEDICARE (1-800-633-4227)** to make sure the information Medicare has is correct. TTY users should call 1-877-486-2048.*

Health Plans & Payments

26. Why did my health plan return my Part D-IRMAA payment?

Although the income-related monthly adjustment amount (IRMAA) is part of your monthly premium, your Medicare prescription drug plan isn't responsible for collecting or billing you for the IRMAA. The IRMAA bill you get will have the correct billing information telling you where to send the payment. If you sent the payment to your health plan, you should notify your plan, ask for a refund of the IRMAA, and send the payment to:

*Railroad Retirement Board
Medicare Premium Payments
PO Box 979021
St Louis, MO 63197-9000*

27. Why aren't my Medicare prescription drug plan premium and my IRMAA premium on the same bill?

By law, your income-related monthly adjustment amount (IRMAA) for Medicare prescription drug coverage is collected by the Railroad Retirement Board. Your drug plan is responsible for billing and collecting the non-IRMAA part of your premium. Since these two amounts are billed and collected by two separate entities, you will get two separate bills.

Billing & Previously Owed Amounts

28. Can you bill my Part D-IRMAA on a quarterly basis?

IRMAA can't be billed on a quarterly basis. You will get a bill for the IRMAA amount each month.

29. Can I pay my IRMAA in advance for the whole year?

Yes. When you receive your bill from Railroad Retirement Board, you will have the option of paying the total amount due for all your Part D-IRMAA premiums for 2011.

30. What kind of payment methods can I use to pay my IRMAA (check or money order)?

You can pay your income-related monthly adjustment amount (IRMAA) in the form of a check or money order.

31. Is my IRMAA payment going to be the same every month for the entire year?

Yes. Your income-related monthly adjustment amount (IRMAA) will stay the same for the entire calendar year that the IRMAA decision was made.

32. Can I set up for the Easy Pay program/automatic billing if my IRMAA payment is the same every month for the entire year?

No, the Railroad Retirement Board is not able to accept Easy Pay/automatic billing at this time.

33. Why is the amount on my bill for my Part D-IRMAA premium different than what the SSA notice told me it would be?

If the income-related monthly adjustment amount (IRMAA) you were billed is different from the amount Social Security told you the bill would be, call Social Security and verify the information they have in their records is correct. If you think the information is incorrect, you have the right to appeal. You can request the appeal form from SSA or by visiting www.socialsecurity.gov/online/ssa-561.pdf.