



# RRB News

## U.S. Railroad Retirement Board

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### Medicare Part B Premiums for 2012

The standard Medicare Part B monthly premium will be \$99.90 in January 2012, an increase of \$3.50 for most beneficiaries.

For the past 2 years, most beneficiaries continued to pay a monthly premium of \$96.40. This was due to a “hold harmless” provision in the law that prevents Medicare premiums from increasing for most participants if there is no social security cost-of-living adjustment. Since social security benefits will increase by 3.6 percent in 2012, most people will see their Medicare Part B premium increase from \$96.40 to \$99.90.

Beneficiaries who first enrolled in Part B coverage during 2010 or 2011 paid a monthly premium of \$110.50 or \$115.40, respectively. As a result, the new standard premium of \$99.90 will cause their premium to decrease by \$10.60 or \$15.50 a month.

Some beneficiaries will continue to pay higher premiums based on their modified adjusted gross income. The monthly premiums that include income-related adjustments for 2012 will be \$139.90, \$199.80, \$259.70, or \$319.70, depending on the extent to which an individual beneficiary’s modified adjusted gross income exceeds \$85,000 (or \$170,000 for a married couple). The highest premium rate applies to beneficiaries whose incomes exceed \$214,000 (or \$428,000 for a married couple). The Centers for Medicare & Medicaid Services estimates that about 5 percent of Medicare beneficiaries pay the larger income-adjusted premiums.

Beneficiaries in Medicare Part D prescription drug coverage plans pay premiums that vary from plan to plan. Beginning in 2011, the Affordable Care Act required Part D beneficiaries whose modified adjusted gross income exceeds the same income thresholds that apply to Part B premiums to also pay a monthly adjustment amount. These beneficiaries will pay the regular plan premium to their Part D plan and will pay the income-related adjustment amount to the Railroad Retirement Board. The adjustment amount ranges from \$11.60 to \$66.40.

The following tables show the income-related premium adjustments for 2012. The Social Security Administration (SSA) is responsible for all income-related monthly adjustment amount determinations. To make the determinations, SSA uses the most recent tax return information available from the IRS. For 2012, in most cases that will be the beneficiary’s 2010 tax return information. If that information is not available, SSA will use information from the 2009 tax return.

Those railroad retirement and social security Medicare beneficiaries affected by the 2012 Part B and D income-related premiums will receive a notice from SSA in November 2011. The notice will include an explanation of the circumstances where a beneficiary may request a new determination. Persons who have questions or would like to request a new determination should contact SSA **after** receiving their notice.

Additional information about Medicare coverage, including specific benefits and deductibles, can be found at [www.medicare.gov](http://www.medicare.gov).

*(See reverse side for accompanying tables.)*

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## 2012 PART B PREMIUMS

<b>Beneficiaries who file an individual tax return with income:</b>	<b>Beneficiaries who file a joint tax return with income:</b>	<b>Income-related monthly adjustment amount</b>	<b>Total monthly Part B premium amount</b>
Less than or equal to \$85,000	Less than or equal to \$170,000	\$0.00	\$99.90
Greater than \$85,000 and less than or equal to \$107,000	Greater than \$170,000 and less than or equal to \$214,000	\$40.00	\$139.90
Greater than \$107,000 and less than or equal to \$160,000	Greater than \$214,000 and less than or equal to \$320,000	\$99.90	\$199.80
Greater than \$160,000 and less than or equal to \$214,000	Greater than \$320,000 and less than or equal to \$428,000	\$159.80	\$259.70
Greater than \$214,000	Greater than \$428,000	\$219.80	\$319.70

The monthly premium rates paid by beneficiaries who are married, but file a separate return from their spouses and who lived with their spouses at some time during the taxable year, are different. Those rates are as follows:

<b>Beneficiaries who are married, but file a separate tax return, with income:</b>	<b>Income-related monthly adjustment amount</b>	<b>Total monthly Part B premium amount</b>
Less than or equal to \$85,000	\$0.00	\$99.90
Greater than \$85,000 and less than or equal to \$129,000	\$159.80	\$259.70
Greater than \$129,000	\$219.80	\$319.70