



## Will a one-time increase in my income (for example, due to property sales or capital gains) affect my Part B premium forever?

No. **Each year** we request your most recent tax return information from the Internal Revenue Service (IRS) to determine your current Part B premium. IRS generally provides information for two years prior to the year in question. For 2010, we generally would use your 2008 tax return information. We use your modified adjusted gross income (MAGI) from your income tax return to determine your premium for one year. Your MAGI is a combination of your adjusted gross income and tax exempt interest income.

In the example, your 2008 tax return will reflect only your income for that year. So, if your premium increased in 2010 because you sold a property in 2008, it could decrease in 2011.

## If I cashed in an IRA, will it be reflected in my Income-Related Part B premium?

It possibly will. If you cashed in an IRA two years ago, it could affect your premium for this year. To determine your current Part B premium, we use the most recent tax return information provided by the Internal Revenue Service (IRS). Generally, this information is for two years prior to the year in question. For example, we generally would use your 2008 tax return information for your 2010 premium. We use your modified adjusted gross income (MAGI) from your tax return to determine your premium for one year. Your MAGI is a combination of your adjusted gross income and tax exempt interest income.

So, if your premium increased in 2010 because you cashed in an IRA in 2008, it could decrease in 2011.

## Can I ask for a new decision about my Income-Related Part B premium?

You can request a new decision and ask that we use **more recent** tax return information if:

- We used three-year-old tax data to determine your current premium and you have a signed copy of your tax return from two years ago;

- We used three-year-old tax data to determine your current premium and you sign a statement indicating that you were not required to file a tax return two years ago;
- One of the following happened and the change will make a difference in the income level we consider:
  - You married;
  - You 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; or
  - Your or your spouse's benefits from an insured pension plan stopped or were reduced.

Once you show us evidence of the event and provide proof or an estimate of your reduced income, we will update our records and correct your Part B premium back to the earliest time in the year you had Part B.

You can request a new decision and ask that we use **more accurate** tax return information if:

- You amended your tax return for the year we used to determine your premium and it changes the income we count;
- You provide proof from IRS of an error in the tax return information we used to make our decision; or
- Your tax filing status for the year we used to determine your premium was "married filing separately" and you did not live with your spouse at any time during that year.

## Contacting Social Security

For more information, visit our website at [www.socialsecurity.gov/mediinfo.htm](http://www.socialsecurity.gov/mediinfo.htm), call us toll-free at **1-800-772-1213** (TTY **1-800-325-0778**) or visit your local Social Security office.

To learn more about Medicare Part B coverage, visit [www.medicare.gov](http://www.medicare.gov) or call **1-800-MEDICARE (1-800-633-4227; TTY 1-877-486-2048)**.