

Medicare Annual Verification Notices: Frequently Asked Questions

2011



Why did I receive another letter about my income-related monthly adjustment amounts for Medicare premiums for this year?

You received another letter from Social Security because your income-related monthly adjustment amount for this year changed. Social Security usually uses 2-year-old data from the *Internal Revenue Service* (IRS) to determine your income-related monthly adjustment amount. In some circumstances, we must use 3-year-old data and in other situations, we base our decision on tax information you provided.

We use your modified adjusted gross income (MAGI) from your Federal income tax return to determine your monthly income-related amount. Your MAGI is the total of your adjusted gross income and tax-exempt interest income.

Each fall, when we ask the IRS for information to determine next year's premiums, we ask for tax information to verify your reports of changes affecting your income-related monthly adjustment amounts, if any. We also ask the IRS for your 2-year-old MAGI if we have temporarily used 3-year-old MAGI. When we find a difference between the IRS information and information we previously used, and it results in a change in your income-related monthly adjustment amount, we notify you of the change.

Can I appeal my income-related monthly adjustment amount?

Yes, if we determine you must pay more for your Medicare Part B or Medicare prescription drug coverage because of your income and you disagree, you have the right to request an appeal (also known as a reconsideration). You'll need to request an appeal in writing by completing a *Request for Reconsideration* (SSA-561-U2). Here's how:

- Find the appeal form online at www.socialsecurity.gov/online;
- Call us toll-free at **1-800-772-1213** (TTY **1-800-325-0778**) and we will send the appeal form to you; or

- If you need help completing the form, we can schedule an appointment with your local Social Security office.

However, if your income has gone down due to certain specific situations or you filed an amended tax return, you can ask for a new decision without having to file an appeal. Read our publication, *Medicare Premiums: Rules for Higher-Income Beneficiaries* (SSA Publication No. 05-10536), for more details about requesting a new decision. You do not have to file an appeal to get a new decision. For more information about how to appeal your income-related monthly adjustment amount, please read Social Security's publication, *Medicare Premiums: What You Can Do If You Think Your Income-Related Premium Is Incorrect* (SSA Publication No. 05-10125).

When will I get my refund?

If you got a letter from Social Security that stated you would be getting a refund of the income-related monthly adjustment amount for your Medicare premiums, you should have received your refund within 30 days of receipt of your letter.

If 30 days have passed from the date of your notice and you haven't received your refund, please call us at **1-800-772-1213** (TTY **1-800-325-0778**) or visit your local Social Security office.

Can I appeal Social Security's decision about the past-due income-related adjustment increase I owe?

Yes, you can appeal the decision. You can call us at **1-800-772-1213** (TTY **1-800-325-0778**) and we will send you a *Request for Reconsideration* (Form SSA-561-U2). When you call, we will tell you what proofs you should submit with your appeal request. If you need help completing the form, we can schedule an appointment with your local Social Security office.

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I don't agree with the tax information IRS gave Social Security. Can I bring in a copy of my tax return?

If you don't agree with the tax information the IRS gave us, you will need to provide proof that you have more accurate information. Acceptable proof would be:

- Your amended tax return, along with a letter from the IRS accepting your amended return or an IRS transcript;
- A letter or statement from the IRS that they have corrected your tax information and explains the correction, or a copy of your filed tax return and an IRS transcript;
- Your copy of your tax return which shows an obvious IRS transcription error in tax-exempt interest income; or
- Your declaration under penalty of perjury that you lived apart from your spouse for the entire year when you filed your income tax return as "married filing separately."

If I owe a past-due income-related adjustment, can I pay the amount I owe by installments?

Yes, anyone who owes money on their Medicare premiums for previous months and states they cannot pay it in a lump sum can pay by installments. If you wish to pay by installments, please call us at **1-800-772-1213** (TTY **1-800-325-0778**) or visit your local Social Security office.

My income has gone down. I don't have to pay an income-related adjustment in 2011, but I owe an income-related adjustment for 2010. I can't afford to pay the money back. Can you waive what I owe?

You may request a waiver of an income-related adjustment if you are without fault and paying the Medicare premiums would cause you severe financial hardship. If you wish to request a waiver, please call us at **1-800-772-1213** (TTY **1-800-325-0778**) or visit your local Social Security office.

I received a notice telling me I must pay higher Medicare premiums for 2011 based on my 2009 income. However, I got divorced in December 2010 and my income has gone down. What can I do?

We may be able to make a new decision on your 2011 Medicare Part B and Medicare prescription drug coverage income-related monthly adjustment amounts. Ordinarily, we will not make a new decision for a prior year. There is one exception: if any "life-changing" event causing the reduction in modified adjusted gross income occurred in the last three months of a calendar year **and** the request for a new decision is received by March 31 of the following year, we can make a new decision. You will need to request a new decision and provide proof of your divorce (or other life-changing event) and tax information for 2011.

Life changing events include the following:

- You married, divorced, your marriage was annulled, or you became widowed;
- You or your spouse stopped working or reduced 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.

If you want to report a life-changing event, call us at **1-800-772-1213** (TTY **1-800-325-0778**) or visit your local Social Security office.

Contacting Social Security

For more information, visit our website at www.socialsecurity.gov/mediinfo.htm or call toll-free, **1-800-772-1213** (TTY **1-800-325-0778**).

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