



Medicare Premiums

■ Medicare Part A

Medicare Part A is free for most people, if you or your spouse have paid into the Social Security/Medicare system for 40 quarters (10 years). However, if you or your spouse have not paid into that system, you can buy Medicare Part A, which will cost \$437 per month in 2019. If you have paid into the system, but less than 40 quarters, your premium will be pro-rated by Medicare.

If you are eligible for Part A, but not premium-free Part A, and you don't sign up for it when first eligible, you will have to pay a 10% higher premium. This penalty will continue for twice the number of years you could have had Part A but didn't sign up.

■ Medicare Part B

Unlike Medicare Part A, everyone who enrolls in Medicare Part B must pay a monthly premium to Social Security, unless they qualify for a government program to assist people with low income and assets, such as Medicaid or a Medicare Savings Program. (see attachment, How to Get Help Paying Medicare's Premiums). Regardless of whether you've paid into the Social Security/Medicare system for 40 quarters, you will be charged for Medicare Part B when you enroll.

If your income is above a certain limit, you will be billed an additional Income-Related Modified Adjustment Amount (IRMAA) for Medicare Part B. This additional premium amount will be based on your Modified Adjusted Gross Income (MAGI) that was reported on your tax return from two years prior. MAGI is the total of your household's Adjusted Gross Income plus any tax-exempt interest income you may have and can be found on lines 37 and 8b of IRS form 1040.)

If you are eligible for Part B and did not enroll during your Initial Enrollment Period or a Special Enrollment Period, you may be charged a late enrollment penalty of an additional 10 percent for each 12-month period that you delayed enrolling. Late enrollment penalties continue for as long as you are enrolled in the Medicare Plan.

■ Medicare Part D

Anyone who is enrolled in either Medicare Part A or B can enroll in Part D through a private insurance company.

Part D premiums are paid monthly to the insurance company that you selected and will be based on the plan you elected to enroll. However, depending on your income, you may be charged an additional IRMAA amount by the federal government, which will be paid to Social Security each month.

If you are eligible for Part D and did not enroll during your Initial Enrollment Period or a Special Enrollment Period, you may be charged a late enrollment penalty, which is an additional 1 percent for each month that you did not have creditable drug coverage. Late enrollment penalties continue for as long as you are enrolled in the Medicare Plan.

■ How To Pay Monthly Medicare Premiums

Medicare's monthly premiums will be subtracted from your monthly Social Security check, if you are receiving those benefits. If not, you can request to be billed for your Medicare premium.

■ To Learn More About Your Medicare Premium Amounts

To learn more about Medicare Part A, B and D premium amounts, go to <https://www.ssa.gov/pubs/EN-05-10536.pdf>

If you have experienced a life-changing event that has caused your income to be reduced, you may be able to reduce the additional IRMAA amount that you are charged for Medicare. To request a change from Social Security, use form SSA-44 <https://www.ssa.gov/forms/ssa-44.pdf>.

■ For More Information About Medicare

- <http://www.ssa.gov>
- <http://www.medicare.gov>

■ For Personal Assistance

To have a personal conversation with a licensed agent who specializes in Medicare and will be able to answer your questions (there is no cost for this service), call **1-800-347-9637** or visit www.abainsurance.com/medicare

Note: ABA Insurance is not affiliated with Medicare or Social Security and is a licensed insurance broker.