



Income And Resource Limits

Social Security and the Centers for Medicare & Medicaid Services are working together to get you Extra Help with your prescription drug costs. If you have limited income and resources, you may be able to get help paying for your monthly premiums, annual deductibles and prescription co-payments under the Medicare prescription drug program that began January 1, 2006. To determine if you are eligible for this Extra Help, Social Security will need to know your income and the value of your savings, investments and real estate (other than your home).

Filing an *Application for Help with Medicare Prescription Drug Plan Costs* (SSA-1020) will help Social Security determine if you are eligible. Most of the questions on the application deal with income and resource limits. Social Security will not ask for documentation initially to support the information you provide, but will match your information with data available from other federal agencies.

What is the income limit?

To qualify for Extra Help with Medicare prescription drug plan costs, your annual income must be limited to \$16,245 for an individual (\$21,855 for a married couple living together).

Even if your annual income is higher, you still may be able to get some help. Some examples where your income may be higher include if you or your spouse:

- Support other family members who live with you;
- Have earnings from work; or
- Live in Alaska or Hawaii.

What does not count as income?

Not all cash payments count as income. For example, **Social Security will not count:**

- Food stamp assistance;
- Home energy assistance;
- Medical treatment and drugs;
- Housing assistance;
- Disaster assistance;
- Earned income tax credit payments;
- Victim's compensation; and
- Scholarships and education grants.

What is the resource limit?

To get the Extra Help, your total resources must be limited to \$12,510 for an individual (\$25,010 for a married couple living together).

Resources include the value of the things you own. Some examples are:

- Real estate (other than your primary residence);
- Bank accounts, including checking, savings and certificates of deposit;
- Stocks;
- Bonds, including U.S. Savings Bonds;
- Mutual funds;
- Individual Retirement Accounts (IRAs); or
- Cash at home or anywhere else.

(over)

What does not count as a resource?

We do not count:

- Your primary residence;
- Your personal possessions;
- Your vehicle(s);
- Resources you could not easily convert to cash, such as jewelry or home furnishings;
- Property you need for self-support, such as rental property or land you use to grow produce for home consumption;
- Non-business property essential to your self-support;
- Up to \$1,500 (or \$3,000 if you are married and living with your spouse) of the cash value of life insurance policies you hold;
- Burial spaces;
- Interest earned on money you plan to use for burial expenses; and
- Certain other money you are holding is not counted for nine months, such as:
 - Retroactive Social Security or Supplemental Security Income (SSI) payments;
 - Housing assistance;
 - Federal income tax refunds and earned income tax credit advances;
 - Compensation you receive as a crime victim; and
 - Relocation assistance from a state or local government.

You should contact Social Security for information about other exclusions.

What if I do not have all of the information?

Even if you do not have all of your information or cannot find the documents, you should file for the Extra Help if you think you will be eligible. We will work with you to explain the information we need.

How can I get more information?

For more information about getting Extra Help with your Medicare prescription drug plan costs, visit www.socialsecurity.gov or call Social Security at **1-800-772-1213** (TTY **1-800-325-0778**).

You can apply online for Extra Help at www.socialsecurity.gov. To apply by phone or get an application, call Social Security at **1-800-772-1213** (TTY **1-800-325-0778**) and ask for the *Application for Help with Medicare Prescription Drug Plan Costs* (SSA-1020). Social Security representatives are available to help you complete your application.

To learn more about the Medicare prescription drug plans and special enrollment periods, visit www.medicare.gov or call **1-800-MEDICARE** (**1-800-633-4227**; TTY **1-877-486-2048**). Medicare also can tell you about agencies in your area that can help you with Medicare prescription drug plans.