

Sample: Title II beneficiary receiving benefits

Social Security Administration

Robert Retiree
456 Anywhere Ave
New York, NY 11111-1111

Date: November 22, 2007
Claim Number: XXX-XX-XXXX

Your Social Security benefits will increase by 2.3 percent in 2008 because of a rise in the cost of living. The premium you pay for Medicare Part B (Medical Insurance) will increase, because a Medicare law requires some people to pay a higher premium for their Medicare Part B coverage based on their income. The information in this notice about your premium is for one year only.

How Much Social Security Will I Get?

- Your new 2008 monthly benefit amount before deductions is: \$903.20
- Your 2008 deduction for Medicare Part B premium is: -
 - \$ 96.40 for the standard Medicare premium, minus \$101.20
 - \$ 21.00 for the credit towards the cost of your Part B premium from your Medicare Advantage plan, plus
 - \$ 25.80 for the income-related monthly adjustment amount based on your 2006 income tax return

Your benefit amount after deductions that will be deposited into your bank account or sent in your check on January 03, 2008 is: \$802.00

Your Medicare Part B Premium

Your Medicare Part B premium for 2008 is the standard Medicare premium, plus any surcharges for late enrollment or reenrollment, plus an income-related monthly adjustment amount.

Each year to decide if you must pay an income-related monthly adjustment amount, we use your Federal income tax information for the most recent tax year that is available. However, we do not use any information that is more than three years old. We ask the Internal Revenue Service (IRS) for your tax filing status, your adjusted gross income, and your tax-exempt interest income. We then add your adjusted gross income together with your tax-exempt interest income to get an amount that we call modified adjusted gross income (MAGI). We compare your MAGI with the income thresholds set by Medicare law.

MAGI may include one-time only income, such as capital gains, the sale of property, withdrawals from an Individual Retirement Account (IRA) or conversion from a traditional

IRA to a Roth IRA. One-time income will affect your Medicare Part B premium for only one year.

Your Income Related Monthly Adjustment Amount

The IRS told us that in 2006 you filed your taxes as Single. You had an adjusted gross income of \$83,500.00 plus \$2,000.00 in tax-exempt interest income. We added these amounts together to get your MAGI of \$85,500.00.

We used the following table to decide your income-related monthly adjustment amount of \$25.80:

If your filing status was:	And your MAGI was:	Then your income-related monthly adjustment is:
• Single, Head of household or Qualifying widow(er)	\$ 82,000.01 - \$102,000.00	\$ 25.80
	\$102,000.01 - \$153,000.00	\$ 64.50
	\$153,000.01 - \$205,000.00	\$103.30
	More than \$205,000.00	\$142.00
• Married, filing jointly	\$164,000.01 - \$204,000.00	\$ 25.80
	\$204,000.01 - \$306,000.00	\$ 64.50
	\$306,000.01 - \$410,000.00	\$103.30
	More than \$410,000.00	\$142.00
• Married, filing separately (if you lived apart throughout 2006, see below about Some Special Situations)	\$ 82,000.00 - \$123,000.00	\$103.30
	More than \$123,000.00	\$142.00

This income-related monthly adjustment amount is effective for this year only. We will refigure your Medicare Part B premium amount again next year when we receive updated information from the IRS.

Some Special Situations That May Apply To You

If your tax filing status was married, filing separately, and you lived apart from your spouse throughout the tax year we used, please call us about your living arrangements, because it could lower your Medicare premiums. We will set up an appointment to discuss that information. You will need to bring a copy of the most recent income tax return you filed with the IRS to the appointment.

If you have been paying a reduced Part B premium based on a small Social Security check, the increased premium amount will apply beginning with your January benefit.

If Your Income Has Gone Down

In some situations, we can make a new decision about your income-related Medicare Part B premium. Contact us to request a new decision if your MAGI has gone down at least one range in the table above or has gone below the lowest amounts in the table since you filed your 2006 tax return, AND the decrease in MAGI was caused by any of the following life-changing events:

- You married,
- You divorced, or your marriage was annulled,
- You became a widow or 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 defined benefit pension plan ended or was reduced due to failure of the plan, scheduled cessation of annuity payments, or death of a spouse who was receiving a pension.

We will use the new lower MAGI to see if we can make a new decision about the amount of your Medicare Part B premium. We cannot make a new decision if your income has gone down for a reason other than those listed above, such as receiving one-time income from capital gains.

You will need to submit proof of the event listed above that caused your income to go down (such as a death certificate, a letter from the Pension Benefit Guaranty Corporation or your pension fund administrator, or a letter from your employer about your retirement). You will also need to submit a copy of your filed Federal income tax return or amended tax return that you obtain from the IRS for the year(s) you want changed, if you have it.

If your MAGI has gone down at any time during January through September, you will need to tell us before the end of that year so we can correct your income-related monthly adjustment amount in that year. However, if the event that makes your MAGI go down did not occur until October 1 or later in the year, we can correct your income-related monthly adjustment amount for that year if you tell us before the end of March of the following year.

If The Income We Used Is Incorrect

Your Medicare Part B premium is based on information we received from the IRS. If you believe that the information we received from the IRS was not correct, you need to contact us to ask for a new decision about your income-related Medicare Part B premium. If you filed an amended tax return for that year, you will need to show us a copy of your amended Federal income tax return. You also will need to show us a letter or transcript from the IRS acknowledging receipt of your amended return. If the IRS corrected their records of your tax

information for the year we used, you will need to show us the letter you received from the IRS. If you do not have all this information, the IRS can help you get it.

If You Disagree With Our Decision

If you disagree with our decision about your income-related monthly adjustment amount, you have the right to:

- request a new decision if your income has gone down due to any of the life-changing events listed above; or
- request a new decision using more recent tax information if you have amended or corrected tax information for 2006, or if we used tax information for 2005; and/or
- appeal this decision.

If you qualify for a new decision on your income-related monthly adjustment amount, we will make a new decision using your tax information. You will not need to file an appeal on this decision if we find that you qualify for a new decision. If we make a new decision, you will be able to file an appeal on the new decision.

If You Want To Appeal This Decision

If you disagree with this decision about your income-related monthly adjustment amount, you have the right to appeal. We will review the decision we made to verify that a correct decision was made. A person who did not make the first decision will decide your case.

If you do appeal, we may start withholding your increased premiums before we make our decision on your appeal. If we change our decision about your income-related monthly adjustment amount, we will correct the amount and refund any incorrectly withheld premiums.

The income-related amount of your Medicare Part B premium is based on information we received from the IRS. If you request an appeal because you believe that the IRS information is incorrect, we will give you information on how you can contact the IRS to obtain evidence to support your request for a new decision.

- You have 60 days to ask for an appeal.
- The 60 days start the day after you get this letter. We will assume you received this letter 5 days after the date of the letter, unless you show us that you did not get it within the 5-day period.
- You must have good reason for waiting more than 60 days to ask for an appeal.
- You may contact one of our offices to file your appeal. You may also request an appeal using a Form SSA-561-U2, called “Request for Reconsideration.” You can find the form on line at <http://www.socialsecurity.gov/online/ssa-561.pdf>, or you can call 1-800-772-1213 for help.

If You Want Help With Your Appeal

You can have a friend, lawyer or someone else help you with your appeal. You should let us know if someone will be helping you. If you pay a fee to someone for helping you, the fee cannot be automatically deducted from your monthly benefits. You are responsible for paying all legal fees.

Other Medicare Information

Medicare's new prescription drug coverage began in 2006. The Centers for Medicare & Medicaid Services recently mailed the *Medicare and You 2008* handbook to all households with Medicare. This handbook contains information about Medicare's new drug coverage.

For Medicare information, including coverage and billing, you can visit www.medicare.gov on the Internet or call **1-800-MEDICARE (1-800-633-4227)** or TTY **1-877-486-2048**, if you are deaf or hard of hearing, 24 hours a day.

Other Important Social Security Information

If You Work And Receive Social Security Benefits

If you were "full retirement age" (age 65 and 10 months in 2007) or older during the entire year, you may keep all of your benefits no matter how much you earn. But if you were younger than full retirement age at any time during the year, there is a limit to how much you can earn before your benefits are reduced.

- If you were under full retirement age all year in 2007, the earnings limit was \$12,960.00. We must deduct \$1 from your benefits for each \$2 you earned over 12,960.00.
- If you reached full retirement age during 2007, the earnings limit was \$34,440.00. We must deduct \$1 from your benefits for each \$3 you earned over \$34,440.00 until the month you turned 65 and 10 months.

The earnings limit for workers who are under "full retirement age" in 2008 is \$13,560.00. The earnings limit for people turning their full retirement age in 2008 is \$36,120.00. If you earn more than the earnings limit, your benefits will be reduced.

A Rule About Stepchildren

If a stepchild receives benefits based on your work and you and the stepchild's parent divorce, the law requires you to report this information to us. We must stop the stepchild's benefits the month after the divorce becomes final.

For More Information Or To Contact Us

For more information, you can visit our website at www.socialsecurity.gov on the Internet to find general information about Social Security. If you have questions about your Medicare Part B premium, please visit www.medicare.gov.

You can also call us at **1-800-772-1213** and speak to a representative from 7 a.m. until 7 p.m. on business days. If you have a touch-tone phone, recorded information and services are available 24 hours a day. Our lines are busiest early in the week and early in the month, so if your business can wait, it is best to call at other times. If you are deaf or hard of hearing, you may call our TTY number, **1-800-325-0778**. If you are outside the United States, you can contact any U.S. embassy or consulate office, or the Veterans Affairs Regional Office in Manila.

Please have your full nine-digit Social Security claim number available when you call or visit and include it on any letter you may send to the Social Security Administration. If you are inside the United States, you also can visit your local office.

If you have questions about your Medicare coverage, visit www.medicare.gov or call **1-800-MEDICARE (1-800-633-4227; TTY 1-877-486-2048)**.

Beatrice M. Disman
Regional Commissioner