



RRB News

U.S. Railroad Retirement Board

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Medicare Part B Premiums for 2009

The standard Medicare Part B monthly premium will be \$96.40 in 2009, the same as the Part B premium for 2008.

Until 2007, all beneficiaries paid the same basic premium amount for Medicare Part B, which is set annually at a level that covers 25 percent of the estimated Part B program costs for the year. The Government had subsidized the remaining 75 percent for all beneficiaries. As part of the Medicare Prescription Drug, Improvement and Modernization Act of 2003, this 75-percent subsidy began decreasing in 2007 for those making over certain annual threshold amounts.

The Part B monthly premiums for some beneficiaries will increase again in 2009, depending on an individual's or married couple's modified adjusted gross income. The income-related Part B premiums for 2009 will be \$134.90, \$192.70, \$250.50, or \$308.30, depending on the extent to which an individual beneficiary's income exceeds \$85,000 (or a married couple's income exceeds \$170,000), with the highest premium rates only paid by beneficiaries whose incomes are over \$213,000 (or \$426,000 for a married couple). The income thresholds increase annually by indexing to the Consumer Price Index (CPI). The accompanying tables show the 2009 Part B premiums based on income. The Centers for Medicare & Medicaid Services estimates that about 5 percent of Medicare beneficiaries with Part B will pay higher premiums in 2009 based on their incomes.

The Social Security Administration (SSA) is responsible for all income-related monthly adjustment amount determinations. To make the determinations, SSA uses the most recent tax return information available from the IRS. For 2009, in most cases that will be the beneficiary's 2007 tax return information. If that information is not available, SSA will use information from the 2006 tax return.

Those railroad retirement and social security Medicare beneficiaries affected by the 2009 Part B income-related premiums will receive a notice from SSA by December 2008. The notice will include an explanation of the circumstances where a beneficiary may request a new determination. Persons who have any questions or would like to request a new determination should contact SSA **after** receiving and reviewing their notice.

(See reverse side for accompanying tables.)

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2009 PART B PREMIUMS

Beneficiaries who file an individual tax return with income:	Beneficiaries who file a joint tax return with income:	Income-related monthly adjustment amount	Total monthly Part B premium amount
Less than or equal to \$85,000	Less than or equal to \$170,000	\$0.00	\$96.40
Greater than \$85,000 and less than or equal to \$107,000	Greater than \$170,000 and less than or equal to \$214,000	\$38.50	\$134.90
Greater than \$107,000 and less than or equal to \$160,000	Greater than \$214,000 and less than or equal to \$320,000	\$96.30	\$192.70
Greater than \$160,000 and less than or equal to \$213,000	Greater than \$320,000 and less than or equal to \$426,000	\$154.10	\$250.50
Greater than \$213,000	Greater than \$426,000	\$211.90	\$308.30

The monthly premium rates paid by beneficiaries who are married, but file a separate return from their spouses and who lived with their spouses at some time during the taxable year, are different. Those rates are as follows:

Beneficiaries who are married, but file a separate tax return, with income:	Income-related monthly adjustment amount	Total monthly Part B premium amount
Less than or equal to \$85,000	\$0.00	\$96.40
Greater than \$85,000 and less than or equal to \$128,000	\$154.10	\$250.50
Greater than \$128,000	\$211.90	\$308.30

Note.--Income-related premiums have been phased in over a 3-year period beginning in 2007. In 2009, high income beneficiaries will pay the full amount of the income-related monthly adjustment amount. The income threshold amounts increase annually through indexing.