

I received a call from a REACTA member who recently turned 65 and had implemented Medicare beginning January 1, but not collecting SS. She had received 2 bills from Medicare for premium payments – one covering 4 months and one covering 1 month. The bills provided little to no explanation as to the amounts and how they had been calculated and she had not been previously provided the charts showing how Medicare Part B and D are calculated or the tiered cost of the plan. As it's been a few years for me since I started Medicare, I contacted Rose Luna and together we worked through all the figures and were able to figure out the billings. The first bill charged her for 4 months at the base tier level, but even then, wasn't consistent. The second bill charged for the upcoming month and added in the difference from the first bill that should have been charged as she should have been placed on tier 2 for Medicare Part B and D based on annual income. She called Earhart had received little help except the monthly amount that the Trust reimburses monthly/quarterly (\$148.50/\$445.50). In addition, she had previously been advised by Kathryn not to accept Part D, so was confused as to why she was being charged for Part D (see tables below). The amounts charged for Medicare Parts B and D are based on individual or joint tax returns on your yearly income for 2019 and if you exceed the base amounts, you are charged an overage amount. In this member's case, she was originally charged based on tier 1 (base level) when she should have been on tier 2. For those of you approaching 65 this year and have not been provided this information, I have attached a file that shows the Medicare Part B and D Tier Premiums by Income so you will have an idea of what you will be paying. For those already on Medicare, your annual letter that Medicare sends out in late November has this information on the back of the first page. All information can also be found on the Social Security website and a copy of your personal information for the year can be found on your personal SS account. If you haven't created your personal "My Account", you may want to consider doing it.

Why not to choose Part D when signing up for Medicare: In 2015 Anthem Blue Cross Medicare retiree participants moved to the Employer Group Waiver Plan (EWGP). EWGP is a Medicare Part D program, so members are participating in Part D automatically which is why you are told not to enroll in a Medicare Part D, as you can only be in one Part D program. If you are above the threshold income (tier 1), you are charged the surcharge for Part D. The first chart in the attached file is from the Summary Plan Description (SPD) and gives an overview of the Medicare Parts.

Summary Plan Description (SPD) Overview of Medicare Parts

Note: Do NOT enroll in another Medicare Part D plan!

Eligibility and Enrollment

Eligibility and Enrollment

	Part A	Part B	Part D*
Active Employee	When 1 st eligible for Part A	Upon retirement	N/A Do not enroll
Active Employee's Dependent (but not Domestic Partner)	When 1 st eligible for Part A	Upon CTA employee's retirement	N/A Do not enroll
Active Employee's Domestic Partner	When 1 st eligible for Part A	When 1 st eligible for Part B	N/A Do not enroll
CTA Retiree who Retired before Age 65	When 1 st eligible for Part A	When 1 st eligible for Part B	N/A Do not enroll
CTA Retiree who Retired after Age 65	When 1 st eligible for Part A	Upon retirement	N/A Do not enroll
CTA Retiree's Dependent under Age 65 (but not Domestic Partner)	When 1 st eligible for Part A	When 1 st eligible for Part B	N/A Do not enroll
CTA Retiree's Dependent over Age 65 (but not Domestic Partner)	Upon CTA employee's retirement	Upon CTA employee's retirement	N/A Do not enroll
CTA Retiree's Domestic Partner	When 1 st eligible for Part A	When 1 st eligible for Part B	N/A Do not enroll

* Note: Do not enroll in another Medicare Part D plan.

The next 2 pages are chart breakdowns for Part B and Part D premiums based on annual income.

Part B Premiums by Income

The standard Part B premium amount in 2021 is \$148.50. Most people pay the standard Part B premium amount. If your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount, you'll pay the standard premium amount and an Income Related Monthly Adjustment Amount (IRMAA). IRMAA is an extra charge added to your premium.

2021

If your yearly income in 2019 (for what you pay in 2021) was			You pay each month (in 2021)
File individual tax return	File joint tax return	File married & separate tax return	
\$88,000 or less	\$176,000 or less	\$88,000 or less	\$148.50
above \$88,000 up to \$111,000	above \$176,000 up to \$222,000	Not applicable	\$207.90
above \$111,000 up to \$138,000	above \$222,000 up to \$276,000	Not applicable	\$297.00
above \$138,000 up to \$165,000	above \$276,000 up to \$330,000	Not applicable	\$386.10
above \$165,000 and less than \$500,000	above \$330,000 and less than \$750,000	above \$88,000 and less than \$412,000	\$475.20
\$500,000 or above	\$750,000 and above	\$412,000 and above	\$504.90

Part D premiums by income

The chart below shows your estimated prescription drug plan monthly premium based on your income as reported on your IRS tax return. If your income is above a certain limit, you'll pay an income-related monthly adjustment amount in addition to your plan premium.

2021

If your filing status and yearly income in 2019 was			
File individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2021)
\$88,000 or less	\$176,000 or less	\$88,000 or less	your plan premium
above \$88,000 up to \$111,000	above \$176,000 up to \$222,000	not applicable	\$12.30 + your plan premium
above \$111,000 up to \$138,000	above \$222,000 up to \$276,000	not applicable	\$31.80 + your plan premium
above \$138,000 up to \$165,000	above \$276,000 up to \$330,000	not applicable	\$51.20 + your plan premium
above \$165,000 and less than \$500,000	above \$330,000 and less than \$750,000	above \$88,000 and less than \$412,000	\$70.70 + your plan premium
\$500,000 or above	\$750,000 and above	\$412,000 and above	\$77.10 + your plan premium