

MONTGOMERY COUNTY PUBLIC SCHOOLS RETIREES ASSOCIATION, INC.



WWW.MCPSRETIREES.ORG
 MCPSRA MAILING ADDRESS:
 P. O. Box 4367
 ROCKVILLE, MD 20849-4367

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PRESIDENT'S MESSAGE

My last column included reference to the new Silver Script/Caremark Medicare Part D Plan. I assured you that this change, now in effect, will continue to provide you with the same or better prescription drug coverage at the same prices and premiums as our previous CVS/Caremark Plan. While this was essentially correct, some of us were “shocked” by receiving a notice from the Social Security Administration that we are also being assessed an “Income Related Monthly Adjustment Amount (IRMAA)” that will be deducted from our Social Security checks this year. I have had many calls, and have tried to explain what happened to each individual who contacted me. In short, for the record, here is the “what and why” of what happened.

Part of the economic decisions that helped fund the Affordable Care Act was the addition of IRMAA provisions to Social Security. These provisions impose a monthly charge on “high income” retirees based on their reported Modified Adjusted Gross Income (MAGI). Modified Adjusted Gross Income includes everything you reported on your income tax, including wages (if you worked), rental income, other income, tax exempt interest, pensions, and Required Minimum Distributions from your 403b or IRA. If you reported less than \$85,000.01 as a single tax payer, or less than \$170,000.01 if you filed jointly, there is no IRMAA. Otherwise, an IRMAA adjustment is imposed on both your Medicare Part B and Medicare Part D participation. The IRMAA is further indexed based on your MAGI. The following is an example for the categories we heard about:

<i>Filed As</i>	<i>MAGI was</i>	<i>Part B IRMAA</i>	<i>Part D IRMAA</i>
<i>Single</i>	<i>\$85,000.01 – \$107,000.00</i>	<i>\$42.00</i>	<i>\$12.01</i>
	<i>\$107,000.01 - \$160,000.00</i>	<i>\$104.90</i>	<i>\$31.10</i>
<i>Married filing Jointly</i>	<i>\$170,000.01 - \$214,000.00</i>	<i>\$42.00</i>	<i>\$12.01</i>
	<i>\$214,000.01 - \$320,000.00</i>	<i>\$104.90</i>	<i>\$31.10</i>

[The largest single reason for some of us being “high income” retirees is the Required Minimum Distribution (RMD) we must take from our tax deferred accounts (IRA, 403b and some annuities) upon reaching the age of 70.5.] The “trigger” for the Part D IRMAA was our moving into the Silver Script/ Caremark Medicare Part D Plan. This was totally outside of MCPS or MCPSRA’s control, and only affected some retirees. In fact, any “low earner” retirees actually received a reverse IRMAA – a Part D supplement from the government under the Affordable Care Act.

There is an appeal process if you believe your MAGI is overstated. Any “Life Changing Event” can be used as the basis of a written appeal to the Social Security Administration (filed on their Form SSA – 44). “Life Changing Events” include documented events such as Marriage, Divorce, Death of a Spouse, Work Stoppage or Reduction, Loss of Income Producing Property, Loss of Pension Income, Employer Settlement (of a Bankruptcy), etc. Your 2015 IRMAA is based on your 2012 reported MAGI. For more information, please contact the Social Security Administration. (continued on page 2)

**LUNCHEON SPEAKER (February 19, 2015)
 IN HONOR OF PRESIDENT'S DAY
 Abraham Lincoln's Montgomery County Connections**
 Speaker: Susan Soderberg

An historic look back at the Congressman and the President, Abraham Lincoln, and his diverse connections to Montgomery County before, and associated with, the Civil War. Among the things covered are his visit to Montanverde, a Montgomery County historic house; his and Mary Todd Lincoln's relations with the Blair family of Silver Spring; his being shot at by Confederate snipers shooting from where Walter Reed is today; and the arrest of one of the assassination conspirators in Germantown. This is a PowerPoint presentation of 30-45 minutes.