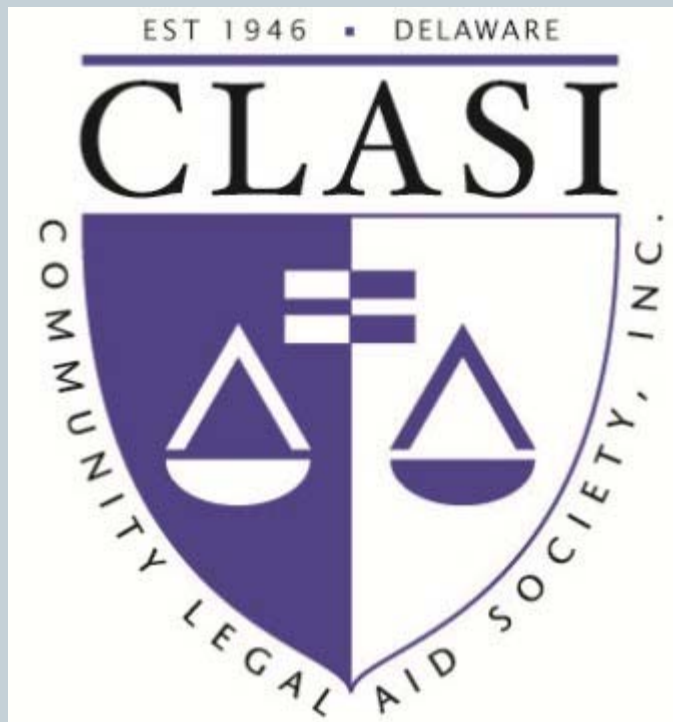


Social Security Retirement & Disability



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SOURCES of LAW

2

- **Statute**
 - Title II of the Social Security Act (42 U.S.C § 401 et seq.)
 - Title XVI of the Social Security Act (42 U.S.C. § 1381 et seq.)

- **Regulations**
 - 20 C.F.R. § 401 et seq.
 - 20 C.F.R. § 416 et seq.

- **Program Operations Manual System (POMS)**

<https://secure.ssa.gov/apps10/poms.nsf/home!readform>

- **(just google “ssa poms”) (yes, it is that easy)**



Internet Resources

3

- www.ssa.gov or www.socialsecurity.gov
- www.medicare.gov
- www.justiceinaging.org formerly NSCLC
- <https://www.nosscr.org/> NOSSCR



National Statistics Snapshot December 2018

4

- **Social Security Benefits (including SSI)**
 - 67, 911,000
- **Aged 65 or older**
 - 48,071, 000
- **Disabled Workers under 65 (including disabled children)**
 - 13, 630,000

National Statistics Snapshot December 2018

5

- **Social Security Benefits (including SSI)**
 - 67, 911,000
- **Aged 65 or older**
 - 48,071, 000
- **Disabled Workers under 65 (including disabled children)**
 - 13, 630,000

Benefit Amounts December 2018

6

- **All Beneficiaries** **\$1,342**
- **Retired Workers** **\$1,461**
- **Disabled Workers** **\$1,233**



SSI Benefit Amounts

7

- **2019**
- **Individual \$771 Couple \$1,157**

- **2018**
- **Individual \$750 Couple \$1,125**

- **Plus a Pa. State Supplement of:**
- **Individual \$22.10 Couple \$33.40**



National Statistics

SSI January 2019

8

- **Supplemental Security Income (SSI)**
 - 8,125,000
- **Over 65**
 - 2,268,000
- **SSI 18-64**
 - 4,710,000
- **SSI under 18**
 - 1,147,000

Pennsylvania Numbers— December 2017

9

• All Title II	2,795,950
• Retired Workers	1,922,759
• Disabled Workers	400,818
• Over 65	2,083, 821
• SSI recipients	361, 250
• Blind/disabled	336,861
• Aged	24,389
• Over 65	69,601
• Age 18-64	228,294
• Under 18	69,601



Attorney's Fees – Getting Paid

10

- **Need to get SSA authorization to charge for services:**

SSA considers any claim or asserted right under titles II, XVI, or XVIII of the Social Security Act that results in the following to be a proceeding before SSA for fee purposes:



Getting Paid, cont'd

11

- **Any initial, revised, or reconsidered determination or action by a field office or processing center; or**

Any decision or action by an Administrative Law Judge or an Administrative Appeals Judge



More on attorney's fees

12

- When the SSA or a Federal court authorizes a representative's fee based on an approved fee agreement or a fee petition, SSA will withhold up to 25 percent of the claimant's title II and/or title XVI past-due benefits for payment of all or part of the authorized fee, if the following criteria are met:



And yet more

13

- At least one of the claimant's representatives is an attorney or a non-attorney whom SSA has determined is eligible for direct payment of fees.
- The claimant is entitled to past-due benefits under title II and/or title XVI.
- The attorney or non-attorney who is otherwise eligible to receive direct payment has not waived his or her fee or waived the right to direct payment.



And finally

14

- An attorney or non-attorney whom the claimant appoints after December 31, 2006 to represent him or her before SSA, or an attorney for whom a Federal court approves a fee after December 31, 2006, has registered to receive direct payment by taking two steps:
 - 1. Submitting, one time, a completed [Form SSA-1699](#), Registration of Individuals and Staff for Appointed Representative Services.
 - 2. Submitting, in connection with the specific claim(s), a completed [Form SSA-1695](#), Identifying Information for Possible Direct Payment of Authorized Fees

Numbers

15

Month/Year	Volume	Amount
Jan-17	25,470	\$80,055,048.23
Feb-17	29,145	\$92,134,157.30
Mar-17	41,143	\$128,806,205.02
Apr-17	32,118	\$99,393,275.69
May-17	31,005	\$97,353,667.54
June-17	37,209	\$117,763,733.33
July-17	28,963	\$92,273,306.82
Aug-17	32,242	\$102,734,999.29
Sept-17	38,445	\$120,994,914.09
Oct-17	27,384	\$85,898,353.80
Nov-17	26,799	\$86,205,030.53



Attorney's Fees

16

- **Average Disability claim** a little over \$3,000
25,000 – 40,000 case paid/month
- **Retirement Work**
 - Probably not unless significant part of caseload
 - Requirement to file electronically if request direct payment of fee

Why you should do this work anyway

17

- Your clients **NEED** it
- Your clients will love you
- Service to your community
- It is not time consuming or resource intensive
- IT's **FUN!**

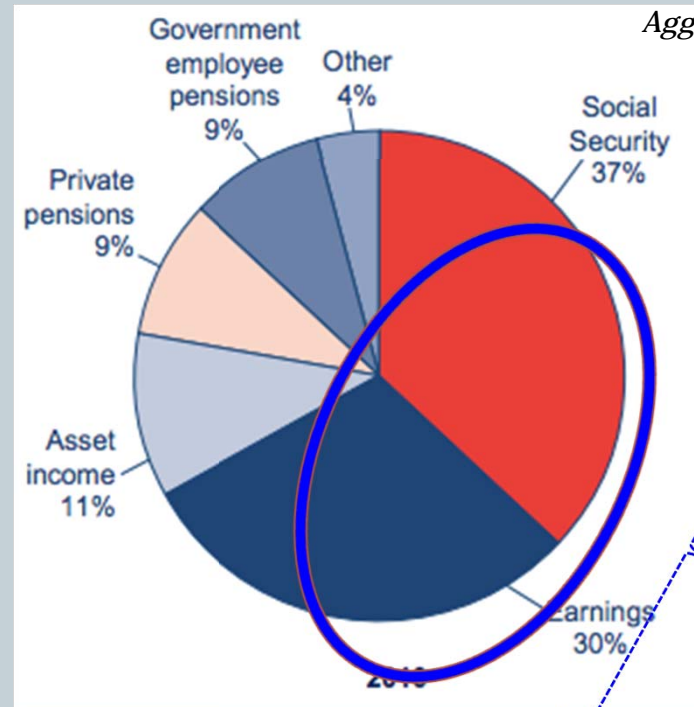


Social Security is the largest income source

18

Social Security represents 37% of all income for those over age 65; that's up 8% from 1962

*Facts and Figures on Social Security
Aggregate income by sources*



67% from SS and work!!

Over 65 million people receive Social Security....and, almost approximately 77 million Baby Boomers will rely on Social Security as an important income source

Taxes and Benefits

19

- **Maximum Earnings Taxed**

- 2018 \$128,400
- 2019 \$132,900

- **Maximum Taxes Paid (6.2%)**

(plus Medicare 1.45%; 0.9% higher for higher incomes
\$220k; \$250k)

- 2018 \$7,962
- 2019 \$8,239

- **Maximum Retirement Benefit at Full Retirement Age (FRA)**

- 2018 \$2,788
- 2019 \$2,861



Applying for Benefits

20

- In person
- Online
- Via the Toll Free Telephone Number
 - 1-800-772-1213

Applying for Benefits Online

21

YES

Social Security

Disability

Retirement

Spouse

Medicare Only

NO

SSI*

Dependents

Survivors

Widow(er)s

RRB

* Limited test program



What are Social Security Benefits

22

- **Title II of the Social Security Act**

Insurance Program for those workers who have paid enough in Social Security taxes to be covered

- Retirement
- Survivors/Dependents
- Disability

Insured Status

23

- **General rule is 40 covered quarters**

(and 20 out of last 40 for disability)

- **Can be as little as 6 quarters!**

2016	\$1,260
2017	\$1,300
2018	\$1,320
2019	\$1,360



Primary Insurance Amount

24

- **Primary Insurance Amount (PIA) is the basis of most Social Security Benefits.**
- **PIA is derived from a worker's lifetime earnings record.**
- **It is the retirement benefit one would receive if claimed at the full retirement age.**

Full Retirement Age (FRA)

25

- The age at which you can retire and not be penalized
- Historically 65
- Moving towards 67
- Always up for grabs politically

- Two notes –
 - 65 is irrelevant for retirement purposes
 - 65 is still crucial for Medicare

What is the Family Maximum

26

- **Eek!**
- **Very complicated formula. For the truly curious --**

Family Maximum (cont'd)

27

- For the family of a worker who becomes age 62 or dies in 2012 before attaining age 62, the total amount of benefits payable will be computed so that it does not exceed:
 - (a) 150 percent of the first \$980 of the worker's PIA, plus
 - (b) 272 percent of the worker's PIA over \$980 through \$1,415, plus
 - (c) 134 percent of the worker's PIA over \$1,415 through \$1,845, plus
 - (d) 175 percent of the worker's PIA over \$1,845.

Family Maximum (cont'd)

28

Or for a disabled worker

Benefits are payable to spouses and children of disabled workers, but such benefits are limited. The family maximum for a family of a disabled worker is 85 percent of the worker's Average Indexed Monthly Earnings (AIME). However, it cannot be less than the worker's PIA nor more than 150 percent of the PIA.

Delayed Retirement Credits

29

- **Delayed Retirement Credits are earned for claiming benefits after full retirement age**
- **Workers earn $\frac{2}{3}$ of 1% of the PIA for each month a benefit is not claimed**
- **That equals 8% per year or 32% if benefits are delayed until age 70**

Disability

30

Same definition for Title II and Title XVI (SSI)

“Unable to engage in substantial gainful activity because of a medically determinable impairment which is expected to last twelve months or result in death”

Physical
Mental
Combination



Five Step Process

20 C.F.R. 404.1520 & 416.920

31

- **Step One -- Substantial Gainful Activity (SGA)**
- **Step Two – Severe Impairment**
- **Step Three – Meet or Equal Listings**
- **Step Four – Return to Past Relevant Work (PRW)**
- **Step Five – Other Work That Exists in The National Economy in Substantial Numbers**

Lump Sum Death Benefit

32

- **\$255**
- **Is this really worth talking about?**

What if I die before the check comes?

33

- Complicated set of rules that often lead to confusion and public relations nightmares for SSA. Also, complicated by TREASURY rules
- Generally see POMS GN 02408.650
- Note this language in the introduction
- Serious public relations problems are created when SSA employees incorrectly state that financial institutions (FI) should not have returned a Title II direct deposit payment received on the 3rd of the month or a cycled payment date, when the beneficiary died before the payment date but after the close of the month for which the payment was due; i.e., the beneficiary was entitled to the payment. This advice is incorrect because it does not take into account the Department of the Treasury (DT) “[Green Book](#)” instructions

Examples

34

- **1. Example 1**
- Ms. Jessica Smith was receiving benefits in Cycle 2 as a wife. She died on July 4, 2008. When the FO developed for the underpayment for the month of June, they discovered she had received a final divorce from the wage earner on June 3, 2008, after only 5 years of marriage. Her benefits were terminated as of June. The payment for July 9, 2008, was **not due**.
- **2. Example 2**
- Lisa Beneficiary, a widow, received benefits in Cycle 1. She died February 29, 2008. The March 3, 2008, payment for February 2008 was **not due**.
- **3. Example 3**
- Sara Tee received retirement benefits in Cycle 1. He died on August 1, 2008, the payment date for July 2008 benefits. This meets the early delivery exception, so his August 1, 2008, payment was **due**.
- **4. Example 4**
- Morgan Payman received retirement benefits in Cycle 4. He died on June 1, 2008. His June 25, 2008 payment for May 2008 was **due**.
- **5. Example 5**
- Melvin Hearty was receiving Cycle 3 disability benefits before his death on February 29, 2008. His March 19, 2008 payment for February 2008 was **not due**.



What is Supplemental Security Income (SSI)?

35

**Federal needs-based program for those:
who have insufficient work history to qualify for Social
Security disability insurance payments**

or

**who only receive a small amount of Social Security
benefits,**

and

who are elderly or disabled



SSI

36

- **Disability / Age**
 - 65
- **Financial Need**
 - Income
 - Assets/Resource
- **Other**
 - Citizenship Issues
 - Criminal Justice Issues

Benefits for Non United States Citizens

37

- **Title II**
POMS GN 303.000 et seq.
- **Title XVI**
POMS SI 0502.000 et seq.



Title II Claimants

38

Lawful Presence

Notes: Lawful Presence requirement also exists for payment of Medicare claims

Can I collect if I live outside the U.S.?

https://www.ssa.gov/international/payments_outside_US.html

Or just google “ssa payment abroad screening”

Title XVI (SSI)

39

Qualified Alien Plus

- Refugees and Asylees
(subject to 7 year limit)
- Other esoteric groups

Who is Left Out

40

Recent immigrants (after 8/22/96), who are NOT humanitarian immigrants

- Family based LPRs
- Work related status
- Lottery

DEADLINES

41

- **Appeals**
 - 60 days (plus 5 for mailing)
 - 10 days (plus 5 for mailing)
- **Proposed Actions (Title II)**
 - 30 days

Good Cause for Missing Deadlines

42

Why is this slide blank?



Procedural Steps

43

- **Initial Decision**
- **Reconsideration**
- **Hearing Before Administrative Law Judge (ALJ)**
- **Appeals Council**
- **Federal Court**



Retirement

44

- **Early Retirement Benefits**
 - Age 62
 - No Medicare until 65
- **Full Retirement Age (FRA)**
 - Traditionally 65
 - Moving towards 67

Early Retirement

45

- Can take as early as 62
- Reduction in benefits
- Earnings Limitations
- What about Medicare?

Full Retirement Age

46

Age To Receive Full Social Security Benefits (Called "full retirement age" or "normal retirement age.")

<u>Year of Birth*</u>	<u>Full Retirement Age</u>
<u>1937 or earlier</u>	65
<u>1938</u>	65 and 2 months
<u>1939</u>	65 and 4 months
<u>1940</u>	65 and 6 months
<u>1941</u>	65 and 8 months
<u>1942</u>	65 and 10 months
<u>1943--1954</u>	66
<u>1955</u>	66 and 2 months
<u>1956</u>	66 and 4 months
<u>1957</u>	66 and 6 months
<u>1958</u>	66 and 8 months
<u>1959</u>	66 and 10 months
<u>1960 and later</u>	67

How Much Will I Lose?

47

- **Traditional**
 - 20% of “full” benefit amount (PIA)
- **More than 36 months early**
 - 20% plus 5/12 of 1% per month in excess of 36 months
- **Technical**
 - 5/12 of 1% per month

Special rules earn \$\$\$ in retirement year

48

- Some people who retire in mid-year have already earned more than their yearly earnings limit. That is why we have a **special rule that applies to earnings for one year**, usually the first year of retirement.
- The special rule lets us pay a full Social Security check for any whole month we consider you retired, regardless of your yearly earnings. If you will
- Be under [full retirement age](#) for all of 2019, you are considered retired in any month that your earnings are \$1,470 or less **and** you did not perform substantial services in self employment.
- "Substantial services in self-employment" means that you devote more than 45 hours a month to the business or between 15 and 45 hours to a business in a highly skilled occupation.

Example

49

- **Example:** John Smith retires at age 62 on June 30, 2017. He earned \$37,000 before he retired.
- On October 5th, John starts his own business. He works at least 15 hours a week for the rest of the year and earns an additional \$3,000 after expenses. His total earnings for 2017 are \$40,000.
- Although his earnings for the year substantially exceed the 2017 annual limit (\$16,920), John will receive a Social Security payment for July, August and September. This is because he was not self-employed and his earnings in those three months are \$1,410 (\$1,470 in 2019) or less per month, the limit for people younger than full retirement age.
- John will not receive benefits for October, November or December 2017 because he worked in his business over 45 hours per month in all three months.
- Beginning in 2018, the deductions are based solely on John's [annual earnings limit](#).



Should I wait?

50

- If the client anticipates living well beyond average life expectancy, he/she should delay the start of benefits.
- But only if (s)he can afford to live without the benefits now
- Alternative view – wait to hedge against longevity risk when other money may have run out

Break Even points -- 2017

51

Monthly Social Security benefits	Retirement age	Break-even age
\$2,102	62 vs. 66	Between 77 and 78
\$2,806	62 vs. 70	Between 80 and 81
\$3,721	66 vs. 70	Between 82 and 83



Break Even Calculators

52

- <https://www.aarp.org/work/social-security/social-security-benefits-calculator.html>
- <https://www.standard.com/individual/retirement/planning-tools-and-calculators/social-security-break-even-calculator>
- <https://www.dummies.com/personal-finance/retirement-options/how-to-perform-a-break-even-analysis-for-your-social-security-benefits/>
- <https://www.fool.com/retirement/2017/12/23/this-simple-math-helps-you-decide-when-to-take-soc.aspx>

Married Couples

53

- Benefits more complex than for singles
- Various combinations of own retirement and spousal benefits are possible
- **Substantial portion of families are still unaware of spousal benefits (money and Medicare)**
- Former strategies are “file and suspend” and “filing a restricted application” which took advantage of special rules are generally no longer available

Claiming Strategy

54

- Using the rules to the best advantage of a client
- A good claiming strategy balances important outcomes:
 - ✦ The need for income at a particular time
 - ✦ Maximize cumulative lifetime benefits
 - ✦ Protect against longevity risk
- Clients benefit most from comparing strategies side by-side

File and Suspend; Restricting Application

55

GONE – Eliminated by Congress DEEMED APPLICATION

If you are eligible for benefits both as a worker and as a spouse (or divorced spouse), and turned 62 after January 1, 2016, you can no longer claim one benefit and let the other grow – you are deemed to have claimed both at the same time. This “deemed filing” used to apply only if you filed for a benefit before full retirement age, currently 66. It now applies at all ages.

At or After FRA

56

- At FRA, application can no longer be restricted to spousal or worker's only
- At FRA, spouse 1 can no longer claim and suspend in order to entitle spouse 2 to receive a spousal benefit.



Exception

57

- Eligible as BOTH a spouse and a worker
- Born before January 1954
- Wait until FRA to claim any benefit
- Can collect as a spouse and delay collecting on own record to get the Delayed Retirement Credits

What to think about

58

1: Which starting date for singles or dates for couples will maximize expected cumulative lifetime benefits?

2: Which starting date for singles or starting dates for couples will minimize longevity risk, that is, the risk of outliving their portfolio.



Where do I get help

59

- Private companies that specialize in running the numbers

E.g. Social Security Solutions, Inc.

Maximize My Social Security

SSAnalyze by Bedrock Capital

AARP Social Security Benefits Calculator

Social Security Income Planner

Article – Comparison of Free Online Tools



Where do I get help?

60

National Academy of Social Insurance (NASI)

NASI “is a nonprofit, nonpartisan organization made up of the nation’s leading experts on social insurance. Its mission is to advance solutions to challenges facing the nation by increasing public understanding of how social insurance contributes to economic security.”

www.nasi.org



NASI Publications

61

- **What to Know What to Ask**

<https://www.nasi.org/research/2016/claiming-social-security-what-know-what-ask>

- **Different People, Different Choices**

<https://www.nasi.org/research/2016/claiming-social-security-different-people-different-choices>



Supplemental Materials

62

- **Attorney Avram Sacks materials (provided)**
- **These are amazingly detailed and comprehensive. He is really an expert in this area.**

Spousal Benefits

63

- Paid to an eligible spouse of a worker
- Up to 50% of the worker's Primary Insurance Amount
- Can be claimed if worker is **entitled** to benefits:
 - The worker has begun benefits OR
 - If divorced and meet the duration requirement is eligible (but not have to actually receive)
 - No more file and suspend
- ✦ Spousal benefits are reduced for claiming early:
 - 25/36% for each month for the first 36 mos. prior to age 66 + 5/12% for each additional month
- Spousal benefits do not earn Delayed Retirement Credits
- Do not forget about Medicare spousal benefits

Dependents & Survivors

64

Who is a Widow/Widower

Married or deemed married under laws of state where wage earner had a permanent home when he/she died; or would inherit under state law as a spouse; and:



Widows and Widowers, cont'd

65

- Relationship lasted 9 months or more
- Natural parents of child together
- Less than 9 months but:
 - Unexpected accidental death
 - Unexpected Death in line of duty
- A few other esoteric categories



Widows and Widowers, cont'd

66

- **Over 60**

Remember – No Medicare until 65

- **Over 50 and disabled (disability has to have begun within seven years of wage earners death or last receipt of mother's benefits)**

Remember – Medicare after 24 months

How much do Widow(er)s Get?

67

- If over 65 when apply, 100% of Primary Insured Amount (PIA)
- Less if 50 and disabled; or 60, generally 71.5%
- Less if decedent took early retirement (higher of amount decedent getting if alive or 82.5% of PIA)

What About Deceased Ex-Spouses?

68

Additional requirement that marriage must have lasted 10 years

Children

69

- How much? Generally 50% of PIA if wage earner is alive and 75% if deceased
- Ends at age 18, or 19 if still in high school
- Childhood Disability Benefits (CDB) continue if disabled

Disabled Adult Child (DAC)
Over Age 18
Disabled prior to age 22

Other Beneficiaries

70

- **Mothers and Fathers benefits**
- **Adopted and Equitably adopted children**
- **Stepchildren**
- **Grandchildren**



Where are these rules?

71

- **Code of Federal Regulations**
 - 20 C.F.R. §§ 404.330 -84
- **POMS**
 - RS § 202.000 et seq. (spouses)
 - RS § 203.000 et seq. (child)
 - RS § 207.000 et seq. (widow(er)s)
 - RS § 208.000 et seq. (mothers/fathers)
 - RS § 209.000 et seq. (parents)

Social Security Benefits and Taxes

72

- Not a Social Security issue – IRS
- Important SSA Publication that provides basic overview

“Benefits Planner: Income Taxes And Your Social Security Benefits”

<https://www.ssa.gov/planners/taxes.html>

Social Security and Taxes

73

Some people pay federal income taxes on their Social Security benefits, especially if they have other substantial income (such as wages, self-employment, interest, dividends and other taxable income that must be reported on your tax return) in addition to your benefits.

No one pays federal income tax on more than 85 percent of his or her Social Security benefits based on Internal Revenue Service (IRS) rules.



Social Security and Taxes

74

- **"individual"** with *combined income** between \$25,000 and \$34,000, may have to pay income tax on up to 50 percent of Social Security benefits.
- more than \$34,000, up to 85 percent of Social Security benefits may be taxable.

Social Security and Taxes

75

Some people pay federal income taxes on their Social Security benefits, especially if they have other substantial income (such as wages, self-employment, interest, dividends and other taxable income that must be reported on your tax return) in addition to your benefits.

No one pays federal income tax on more than 85 percent of his or her Social Security benefits based on Internal Revenue Service (IRS) rules.



Social Security and Taxes

76

- **Married and file a joint return, combined income*** that is between \$32,000 and \$44,000, may have to pay income tax on up to 50 percent of benefits
- more than \$44,000, up to 85 percent of benefits may be taxable.

Social Security and Taxes

77

- **married and file a separate tax return**, you probably will pay taxes on your benefits.
- What is “**combined income**”
 - adjusted gross income
 - + Nontaxable interest
 - + $\frac{1}{2}$ of Social Security benefits

Overpayments

78

What is an OVERPAYMENT?



Overpayments & Waivers

- **File at any time**
- **Form SSA-632**
- **Separate from merits of overpayment**
- **Stops recoupment IF REQUESTED**
- **Full appeal rights**

Waiver

80

20 C.F.R. § 404.506 et seq.
 § 416.550 et seq.

POMS SI 02260.000 et seq.
 GN 02210.000 et seq.

CAN BE FILED AT ANY TIME

Requirements to Obtain a WAIVER

81

- Without Fault

AND

- Recovery would defeat the purpose of the Social Security Act

(generally seen as a financial hardship test – Presumed if receive SSI or other cash Public Assistance)

OR

- Recovery would be against equity and good conscience



Waivers

- **Administrative waiver** for overpayments less than \$1,000
- must be requested (it's a secret)
- Do not need to complete Waiver form
- POMS SI 2260.030(B)(2)

Waivers

- **Limits on withholding**
 - **SSI:** 10% of full check (\$73.00)
 - ✦ Negotiate a lower amount if client can't afford 10%
 - **LIS-eligibles:** \$10
 - POMS GN 2210.030(B)(6) (exception)
 - **Title II:** no limit
 - ✦ Negotiate a lower amount

Waivers

84

Last resort

Bankruptcy -- Unsecured debt

What about Medicare?

85

- Not until age 65 (or disabled after 24 month waiting period)
- **DO NOT FORGET MEDICARE THROUGH SPOUSE**

When Should I take Medicare?

86

- **Initial Enrollment Period (IEP)**

7 month time period beginning 1st day of 3rd month before eligibility date, and ending last day of the 3rd month following the first month of eligibility

POMS HI § 805.015

What Does That Mean?

87

Ms. Watson turns 65 on July 15, 2016

Her IEP runs from April 1, 2016 through October 31, 2016



Loss of Medicare

88

- What are the various parts?
 - Part A “Hospital Insurance” (HI)
 - Part B “Supplementary Medical Insurance” (SMI)
 - Part C
 - Part D Prescription Coverage

MEDICARE – THE BASICS

89

- Administered by Social Security Administration (SSA)
- Traditional Medicare “Red, White and Blue” card
- Four Parts (A,B,C,D)

Eligibility

90

- **Age 65**

Note – especially look for older clients who are not on Social Security and do not have either Medicare Part A or B to determine if DHSS should be enrolling them and paying for their Medicare

Eligibility (cont'd)

91

- **Disabled and worked long enough to be insured**
NOTE – Coverage starts 24 months after eligibility for Social Security checks (don't forget 5 month waiting period for checks)

Exceptions ESRD; Lou Gehrig's disease

Medicare Part A

92

- **Hospital Insurance**

Covers inpatient hospital, SNF, home health, and hospice care

Free for almost all beneficiaries

Deductibles	Days 1-60	\$1,364 (2019) per hospital stay
	Days 61-90	\$341 per day
	Days 91-150*	\$682 per day
	Days 150+	Full cost

*lifetime reserve days



Medicare Part B

93

- Physician services, some outpatient services, some preventive services, ambulance services, and durable medical equipment (DME)
- Copays, deductibles and premiums

Medicare Part B Premiums

94

- **Varying Monthly Premiums 2019**

\$135.50/month – current recipients

Higher income folks (over \$85k) – higher premiums

Part B Co-Payments

95

Medicare generally pays 80% of allowable charge

Medicare Part D

96

- **Prescription Drug Benefits**
Began January 1, 2006
- **Must pick a plan from a private insurance company**
Note: MA recipients will be auto-enrolled if they do not pick a plan
- **Assistance for low-income individuals**

Medicare Part D

97

- **Stand Alone Prescription Drug Plan (PDP)**
- **Medicare Advantage Plan with Prescription Coverage**

Medicare Part C

98

- Managed Care for Medicare Beneficiaries
- Combined Medicare coverage and prescription drug coverage. All plans will offer Part A and B coverage; most offer Part D, as well.
- “Special” Plans for full DUAL ELIGIBLES
(Medicare and Medicaid) a/k/a

“SPECIAL NEEDS PLANS” (SNPs)

Why would you enroll in a Medicare Managed Care Plan?

Help for Low Income Medicare Beneficiaries

99

- Programs that are part of Medicaid and run by DHS (formerly DPW) to help Medicare beneficiaries with Medicare costs:

Premiums

Co-pays

Deductibles

Part D Help a/k/a Low Income Subsidy (LIS)

100

- Full Subsidy if on any from of MA
(including MAWD and Waiver)
- Otherwise apply at SSA
 - Amount of subsidy depends upon income

Full	below 135%
Partial	135% - 150%
 - Asset Limit

What is at Risk if I Decline?

101

- Part B
- Part D
- Part A is “free” for everyone who is insured

What are the Penalties?

102

- **Part B**
 - **Delays in re-enrollment**
 - ✦ **General Enrollment Period (GEP) (Jan. - Mar.) effective July 1**
 - **Increased premiums**
 - ✦ **10% for each full 12 months not enrolled**

Are There any Exceptions?

103

Yes, but they are narrow complicated

- Insured through GHP/LGHP based upon **current employment** (has 8 consecutive months to enroll following loss of employment or insurance)

POMS HI §805.275

- “Equitable relief” if not enrolled to due to Federal governmental error

POMS HI § 830.001 et seq.

Very low income folks who are eligible for Buy-In

What are the Penalties

104

Part D

Delays in re-enrollment

General Enrollment Period (GEP)

(Oct. 15 – Dec. 7) effective Jan

Increased premiums

1% of base plan for each month not enrolled



Are There Any Exceptions?

105

Yes

- **Medicaid/Full Low Income Subsidy (LIS) recipients**
- **Creditable Coverage**
- **Equitable Relief**

Contact Information



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