

**Extra Help with  
Medicare Prescription Drug  
Plan Costs**



**Medicare Part D**

# What is Extra Help?

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**Extra Help is available for beneficiaries with limited income and resources to help pay for the costs-monthly premiums, annual deductibles, and prescription co-payments-related to a Medicare prescription drug plan**

**Extra Help is estimated to be worth about \$4000 per year**

# Applications

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- **Automatically Eligible**
  - SSSI recipients
  - Medicare Savings Program enrollees (i.e. QMB)
  - Medicaid enrollees
  
- **Those you need to file**
  - Not automatically eligible
  - Have limited income AND
  - Have limited resources

# Income

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- **Whose Income Counts**
  - Applicant
  - Living with Spouse
- **Period to count**
  - Begins with the month of filing
  - Project for 12 months
- **Types of Income**
  - Earned
  - Unearned

# Earned Income

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- **Wages**
- **Net Earnings from Self-Employment**
- **Sheltered Workshop Earnings**



# Unearned Income

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- **Social Security Benefits**
- **Railroad Board Benefits**
- **Pension Payments**
- **Worker's Compensation Payments**
- **Unemployment Benefits**
- **Royalties**
- **Veteran's Administration Payments**
- **Rental Income**
- **Dividends**
- **Interest**

# Income Exclusions

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## ➤ Earned Income

- First \$65 of earned income plus one-half
- IRWE-Impairment Related Work Expenses (16.3% of earnings)
- BWE-Blind Work Expenses (25% of earnings)

## ➤ Unearned Income

- First \$20
- First \$30 of infrequent and irregular income (i.e. quarterly interest income)
- Tax refunds/stimulus payments

# Family Size

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- **Who we include in determining family size**
  - Applicant**
  - Applicant's living with spouse**
  - A living with relative for whom the applicant/spouse is providing at least one-half support**





# 2014 Income Limits

## (48 States and District of Columbia)

<b>Family Size</b>	<b>100%</b>	<b>135%</b>	<b>140%</b>	<b>145%</b>	<b>150%</b>
<b>1</b>	<b>\$11,670.00</b>	<b>\$15,754.50</b>	<b>\$16,338.00</b>	<b>\$16,921.50</b>	<b>\$17,505.00</b>
<b>2</b>	<b>\$15,730.00</b>	<b>\$21,235.50</b>	<b>\$22,022.00</b>	<b>\$22,808.50</b>	<b>\$23,595.00</b>
<b>3</b>	<b>\$19,790.00</b>	<b>\$26,716.50</b>	<b>\$27,706.00</b>	<b>\$28,695.50</b>	<b>\$29,685.00</b>
<b>4</b>	<b>\$23,850.00</b>	<b>\$32,197.50</b>	<b>\$33,390.00</b>	<b>\$34,582.50</b>	<b>\$35,775.00</b>
<b>5</b>	<b>\$27,910.00</b>	<b>\$37,678.50</b>	<b>\$39,074.00</b>	<b>\$40,469.50</b>	<b>\$41,865.00</b>
<b>6</b>	<b>\$31,970.00</b>	<b>\$43,159.50</b>	<b>\$44,758.00</b>	<b>\$46,356.50</b>	<b>\$47,955.00</b>

# Example

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**Jeff is a Medicare recipient. He is married and his wife works. His monthly Social Security check is \$870. His wife Jennifer earns \$21000 per year. He decides to check to see if he is eligible for subsidy. He totals his income ( $\$870 \times 12$ ) and gets \$10440. He then adds her annual income of \$21000 and gets \$31440. He compares this figure to the chart and sees that the limit is \$23595. He concludes that he is not eligible and does not file.**

# Answer

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**Unfortunately, he does not realize that the income limit is for countable income and that Social Security would apply deductions that would reduce his income. For example, SSA counts less than one half of his wife's wages. The countable income for he and his wife is actually \$20310 and he would be eligible for subsidy assistance.**

# Resources

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- **Whose Resources Count**
  - Applicant
  - Living with Spouse
- **Equity Value**
- **First Moment of the Month Rule**

# Countable Resources

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- **Bank accounts (checking, savings, CDs)**
- **Cash**
- **Stocks**
- **Bonds/Savings Bonds**
- **Mutual Funds**
- **IRAs**
- **Trust funds (some can be excluded)**
- **Non-home property**

# Resources Exclusions

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- **Home property**
- **Property essential for self-support**
- **Disaster relief assistance**
- **Housing assistance**
- **Burial spaces**

# Resources Limits

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- **\$13440 for an individual**
- **\$26860 for a couple**



# How Do I Apply for Extra Help?

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Complete the *Application for Extra Help with Medicare Prescription Drug Plan Costs* (Form SSA-1020).

Here's how:

- Apply online at *www.socialsecurity.gov*
- Call Social Security to apply over the phone or request an application at 1-800-772-1213 (TTY 1-800-325-0778)
- Apply at your local Social Security office

Social Security will review your application and send you a letter to let you know if you qualify



# Online Services

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- **Apply for Extra Help with Medicare Drug Plan Costs**
- **Get a Replacement Medicare Card**
- **Social Security Statement**
- **Change of Address and Phone Number**
- **Get a Benefit Verification Letter**
- **Start or Change Direct Deposit**
- **Retirement Estimator**
- **Retirement and Disability Applications**
- **Medicare Online**
- **Retirement/Survivors/Disability Planner**

# Telephone Service

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**Johnson City 1-866-964-5059**

**Kingsport 1-888-487-0161**

**Greeneville 1-877-405-0416**

**Hours 9:00-3:00 M, T, TH, F**

**9:00-12:00 Wed**

# Office Visit

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**Johnson City**

**818 Sunset Dr  
Suite 203**

**Kingsport**

**2401 S. Wilcox Dr**

**Greeneville**

**1618 Old Tusculum  
Rd**