

## MEDICARE SUPPLEMENTAL POLICIES

	A	B	C	D	F*	G	K	L	M	N
Part A Coinsurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part B Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	\$20 / \$50
First 3 pints of blood	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓
Skilled Nursing Facility		✓	✓	✓	✓	✓	50%	75%	✓	✓
Part B Deductible			✓		✓					
Part B Excess Charges					✓	✓				
Foreign Travel Emergency Care			80%	80%	80%	80%			80%	80%
Part A Hospice Care	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓

\*Plan F is considered the "Cadillac" of Medicare Supplement (Medigap) plans. It is also the most expensive. According to CMS, in 2012 53% percent of new policies sold were Plan F. In second place is Plan C.

## MEDICARE ENROLLMENT PERIODS

Enrollment Period	When it Occurs
Initial Enrollment Period	Seven (7) month period. It begins 3 months before your 65 <sup>th</sup> birthday and runs 3 months after that month (miss the IEP penalties may apply).
Special Enrollment Period	It begins any time after age 65 while covered by an ER, and it ends 8 months after the month in which work stops or ER coverage ends. 5-Star switching from January 1 – November 30 (only once per year).
General Enrollment Period	January 1 – March 31. Coverage does not go into effect until <u>July 1</u> .
Fall Open Enrollment Annual Coordinated Election Period (ACEP)	October 15 – December 7 and same for subsequent years. Those who want to switch from Original Medicare to Part C or vice-versa, switch from one Part C plan to another, or join, switch or drop Part D plans. <u>New coverage begins January 1</u> .
Medicare Advantage Disenrollment Period (MADP)	Occurs every year between January 1 – February 14 for those who want to switch from Part C to Original Medicare (enroll Part D).
5-Star Special Enrollment Period	An individual who has an existing PDP plan is allowed to switch to a PDP that has 5 stars for its overall plan rating once during December 8, 2015 – November 30, 2016.
Medigap Enrollment Period	Begins the first day of the month you are age 65 or older and are enrolled in Part B and it runs for 6 months. Must be enrolled in Original Medicare and cannot be enrolled in Part C.

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## MEDICARE SURTAXES

### 0.90% Additional Medicare Tax on Earned Wages\*

\*Wages, other compensation, or self-employment income (together with that of the taxpayer's spouse if filing jointly) exceeds the "Threshold Amount" in the table below for the taxpayer's filing status.

Filing Status	Threshold Amount
Single	\$200,000
Married Filing Jointly	\$250,000
Married Filing Separately	\$125,000
Head of Household (with qualifying spouse)	\$200,000
Qualifying Widow(er)	\$250,000

### 3.8% Unearned Income Medicare Contribution Tax on Net Investment Income (NII)\*

**Individual Taxpayer:** A 3.8% tax is imposed on the lesser of: (A) net investment income ("NII"), or (B) the excess of the modified adjusted gross income ("MAGI") over the "Threshold Amount" in the table below for the taxpayer's filing status.

**Estate or Trust:** A 3.8% tax is imposed on the lesser of (A) the undistributed net investment income for such taxable year, or (B) the excess of adjusted gross income over \$12,300 at which the highest tax bracket (39.6%) begins such taxable year.

\*NII: Net Investment Income is made up of three types: (A) Gross income from interest, dividends, annuities, royalties, and rents, other than such income derived in the ordinary course of a trade or business not described in income type (B), (B) Gross income derived from a passive activity (within the meaning of IRC § 469 or IRC § 457(e)(2), and (C) Net gain (to the extent taken into account in computing taxable income) attributable to the disposition of property other than property held in a trade or business not described in income type (B).

**MAGI:** MAGI means adjusted gross income increased by the excess of: (1) the amount excluded from gross income under IRC § 911(a)(1) (i.e., foreign earned income), over (2) the amount of any deductions (taken into account in computing adjusted gross income) or exclusions disallowed under IRC § 911(d)(6) with respect to the amounts in (1).

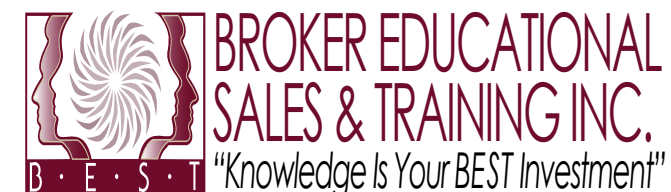
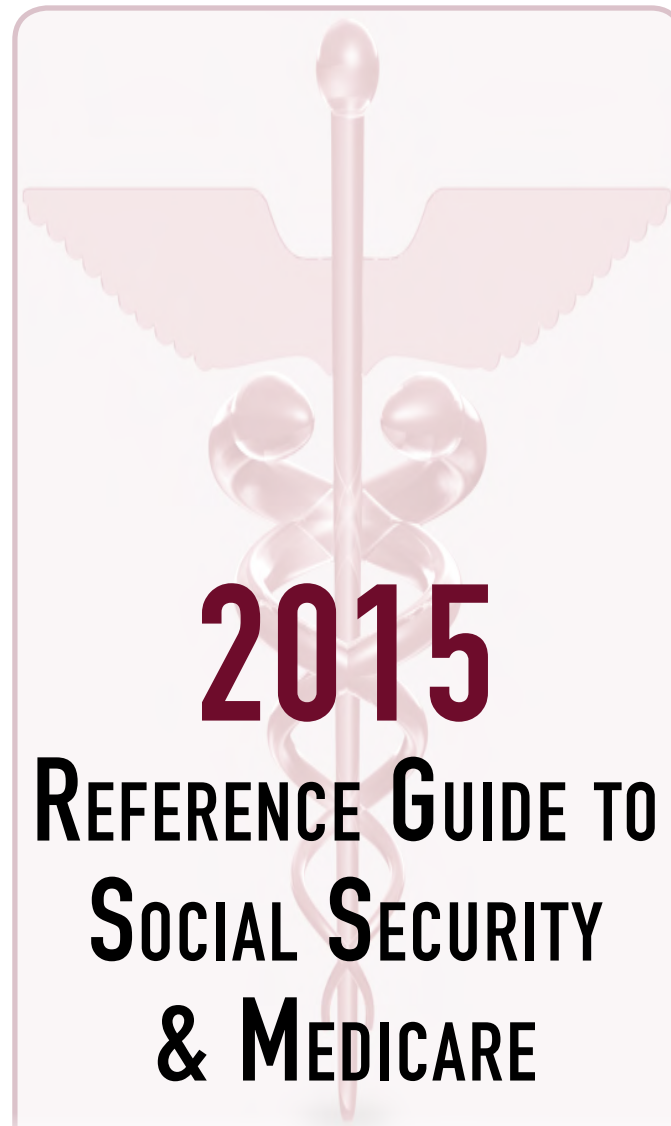
Filing Status	Threshold Amount
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Married Filing Separately	\$125,000
Head of Household (with qualifying spouse)	\$200,000
Qualifying Widow(er)	\$250,000

### 3.8% To estimate a taxpayer's liability for the Unearned Income Medicare Contribution Tax:

**Step 1:** Determine if the MAGI is above the applicable Threshold Amount. If so, identify the Excess Amount.

**Step 2:** Determine the taxpayer's NII.

**Step 3:** Compare the excess amount to the taxpayer's NII and determine which amount is lower. The new 3.8% tax applies to the lower amount.



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## SOCIAL SECURITY

### Basic Eligibility

Insured Status	Credits (Quarters of Coverage)
Fully Insured Status	40 credits
Currently Insured Status	6 credits
Disabled (non-blind)	20 credit

### CREDITS (Quarters of Coverage)

	2015	2014
Earnings needed to earn 1 credit	\$1,220	\$1,200
Maximum earnings 4 credits per year	\$4,880	\$4,800

### CALCULATING SOCIAL SECURITY BENEFITS

#### PIA Formula for Individuals

- 90 percent of the first \$826 of his/her average indexed monthly earnings, plus
- 32 percent of his/her average indexed monthly earnings over \$826 through \$4,980 plus
- 15 percent of his/her average indexed monthly earnings over \$4,980

#### PIA Formula for Family Maximum

- 150 percent of the first \$1,056 of the worker's PIA, plus
- 272 percent of the worker's PIA over \$1,056 through \$1,524 plus
- 134 percent of the worker's PIA over \$1,524 through \$1,987 plus
- 175 percent of the worker's PIA over \$1,987

### COST OF LIVING ADJUSTMENTS (COLAs)

	2015	2014
CPI-W	1.7%	1.5%

### ESTIMATED AVERAGE MONTHLY SOCIAL SECURITY BENEFITS PAYABLE IN JANUARY 2015

	Before 1.7% COLA	After 1.7% COLA
All Retired Workers	\$1,306	\$1,328
Aged Couple, Both Receiving Benefits	\$2,140	\$2,176
Widowed Mother and Two Children	\$2,635	\$2,680
Aged Widow(er) Alone	\$1,253	\$1,274
Disabled Worker, Spouse and One or More Children	\$1,943	\$1,976
All Disabled Workers	\$1,146	\$1,165

### MAXIMUM SOCIAL SECURITY BENEFIT

	2015	2014
Worker Retiring at FRA (66) in 2015	\$2,663/mo.	\$2,642/mo.

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2013 through the third quarter of 2014, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 1.7% COLA for 2015.

## OASDI + MEDICARE (HI) TAX RATE

	OASDI	HI	Total
Employee	6.20%*	1.45%	7.65%*
Employer	6.20%*	1.45%	7.65%*
Self-Employed	12.40%	2.90%	15.30%

\*NOTE: The Old-Age, Survivors, and Disability Insurance (OASDI) is 6.20% of earnings up to the maximum taxable earnings. The Medicare (HI) portion is 1.45% on all taxable earnings.

### MAXIMUM TAXABLE EARNINGS

	2015	2014
Social Security (OASDI only)	\$118,500	\$117,000
Medicare (HI only)	No Limit	

### SSDI THRESHOLDS

	2015	2014
Substantial Gainful Activity (SGA)		
Non-Blind	\$1,090/mo.	\$1,070/mo.
Blind	\$1,820/mo.	\$1,800/mo.
Trial Work Period (TWP)	\$780/mo.	\$770/mo.

### RETIREMENT EARNINGS TEST EXEMPT AMOUNTS

	2015	2014
Under full retirement age	\$15,720/yr. (\$1,310/mo.)	\$15,480/yr. (\$1,290/mo.)

NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit.

The year an individual reaches full retirement age \$41,880/yr.  
(\$3,490/mo.) \$41,400/yr.  
(\$3,450/mo.)

NOTE: Applies only to earnings for months prior to attaining full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.

There is no limit on earnings beginning the month an individual attains full retirement age.

### Retirement Earnings Test Calculator

You can find out how working will affect your benefit by using the Retirement Earnings Test Calculator on the Social Security website. Go to <http://www.ssa.gov/OACT/COLA/RTeffect.html>. Enter your date of birth, annual earnings and benefit amount. The calculator will show you the amount of Social Security that will be withheld for the year.

Also see the Social Security publication "How Working Affects Your Benefits," available at <http://www.socialsecurity.gov/>.

## MEDICARE

Part A	2015	2014
Deductibles and Coinsurance		
Hospital: your cost, first 60 days	\$1,260.00	\$1,216.00
61 to 90 days	\$315.00	\$304.00
Lifetime reserve (91 to 150 days)	\$630.00	\$608.00
Skilled nursing home (21 to 100 days)	\$157.50	\$152.00

### Part B

Deductible	\$147	\$147
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### Part B IRMAA Premiums for 2015

You Pay	If Your Yearly Income in 2013 was	
	Single	Married Couple
\$104.90	\$85,000 or less	\$170,000 or less
\$146.90	\$85,001 - \$107,000	\$170,001 - \$214,000
\$209.80	\$107,001 - \$160,000	\$214,001 - \$320,000
\$272.70	\$160,001 - \$214,000	\$320,001 - \$428,000
\$335.70	Above \$214,000	Above \$428,000

Part D (Prescription Drug Program):	2015	2014
Deductible	\$320.00	\$310.00
Initial Coverage Limit	\$2,960.00	\$2,850.00
Annual Out-Of-Pocket (OOP) Spending Threshold	\$4,700.00	\$4,550.00
Total Covered Drug Spending at annual Out-Of-Pocket Threshold	\$6,680.00	\$6,455.00

#### Catastrophic coverage:

Copay for generic/preferred multisource drug prescription	\$2.65	\$2.55
Copay for other prescription drugs	\$6.60	\$6.35

### Part D IRMAA Premiums for 2015

You Pay	If Your Yearly Income in 2013 was	
	Single	Married Couple
\$0.00	\$85,000 or less	\$170,000 or less
\$12.30	\$85,001 - \$107,000	\$170,001 - \$214,000
\$31.80	\$107,001 - \$160,000	\$214,001 - \$320,000
\$51.30	\$160,001 - \$214,000	\$320,001 - \$428,000
\$70.80	Above \$214,000	Above \$428,000

Part D National Base Beneficiary Premium	2015	2014
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This figure is used to estimate Part D late enrollment penalty & the income-related monthly adjustment amounts listed in the table above.