



Medicare Part B Reimbursement Program

A Fact Sheet for Retired Members and Beneficiaries

The Medicare Part B Reimbursement program reimburses the cost of eligible retirees' Medicare Part B premiums using funds from the retiree's Sick Leave Bank. The Medicare Part B reimbursement payments are not taxable to the retiree.

Eligibility

As a retired SJCERA member, you may be eligible for the Medicare Part B Reimbursement Program if you:

- Are a retired County employee or eligible beneficiary,
- Were hired before August 2001,
- Have a Sick Leave Bank Balance (see your SJCERA monthly earnings statement), and
- Are enrolled in Medicare Part B.

Eligible beneficiaries include your spouse and disabled adult children who have Medicare Part B coverage and are your (the retiree's) tax dependents (under Section 152 of the Internal Revenue Code.)

Application and Proof of Premium Required

Annually, you must submit to SJCERA a completed **Medicare Part B Reimbursement form** and one of the following proof-of-premium documents from Social Security to receive reimbursement:

- Social Security's "Important Information" letter that indicates your Medicare Part B monthly premium amount, or
- A quarterly Medicare Part B billing statement (if you are not currently receiving Social Security benefits)

Social Security generally sends the "Important Information" letter in November or December each year. If you do not have your letter or quarterly bill, you can request proof of premium by contacting Medicare directly at (800) 633-4227, visiting your local Social Security office or logging into your Social Security account at www.ssa.gov.

Medicare Part B premiums change effective January 1 of each year. If SJCERA receives your form by January 2 each year, you will receive reimbursement beginning with your February retirement benefit payment. Applications received after January 2, will receive reimbursement beginning the following month on a prospective basis. For example, if you submit your completed **Medicare Part B Reimbursement form** in May, your Medicare Part B reimbursement will start in June and continue through December (assuming you continue your Medicare Part B enrollment). You will not receive reimbursement for the months before you submitted your completed form and document(s).

Reimbursement Amount

The Medicare Part B premium rates set by the federal government are based on your annual income and are subject to change each year. Your Medicare Part B premium will be stated in your annual Social Security "Important Information" letter.

SJCERA will reimburse the full amount of your Medicare Part B premium (up to the amount remaining in your Sick Leave Bank).

If your premium changes during the year, please submit a new **Medicare Part B Reimbursement form** and a copy of your updated proof-of-premium documents from Social Security.

Medicare Part B Coverage Required

To be eligible to receive reimbursement, you must maintain Medicare Part B coverage. If you, your spouse, or eligible dependent discontinue Medicare Part B coverage for any reason during the year, you must notify SJCERA immediately.

Because Medicare Part B Reimbursement payments are tax exempt, SJCERA is legally required to collect any reimbursement payments made after you discontinue your Medicare Part B coverage. You will be required to repay SJCERA the total amount of all reimbursement payments you received from SJCERA for which you and/or your dependent(s) were ineligible. The repayment will be credited to your Sick Leave Bank.