

Getting Help With Medicare Prescription Drug Plan Costs Income And Resource Limits



Social Security and the Centers for Medicare & Medicaid Services are working together to get you extra help with your prescription drug costs. To determine if you could be eligible for this extra help, Social Security will need to know your income and the value of your savings, investments and real estate (other than your home). If you have limited income and resources, you may be able to get help paying for your monthly premiums, annual deductibles and prescription co-payments under the new Medicare prescription drug program that begins January 1, 2006.

Filing an *Application for Help with Medicare Prescription Drug Plan Costs* (Form SSA-1020) will help Social Security determine if you are eligible. Most of the questions on the application deal with income and resource limits. Social Security will not ask for documentation to support the information you provide, but will match your information with data available from other federal agencies.

What are the income limits?

If your annual income is below \$14,355 (or \$19,245 if you are married and living with your spouse), you may qualify for the extra help. Even if your annual income is higher, you still may be able to get some help. Some examples where your income may be higher include if you or your spouse:

- Support other family members who live with you;
- Have earnings from work; or
- Live in Alaska or Hawaii.

What does not count as income?

Not all cash payments count as income. For example, **Social Security will not count:**

- Food stamp assistance;
- Home energy assistance;

- Medical case assistance;
- Housing assistance;
- Disaster assistance;
- Earned income tax credit payments;
- Victim's compensation; and
- Scholarships and education grants.

What are the resource limits?

To get the extra help with Medicare prescription drug plan costs, your total resources generally must be valued below \$10,000 (or \$20,000 if you are married and living with your spouse). The resource limits can be slightly higher (an additional \$1,500 per person if you will use some of your money for burial expenses).

Resources include the value of the things you own. Some examples are:

- Real estate (other than your primary residence);
- Bank accounts, including checking, savings and certificates of deposit;
- Stocks;
- Bonds, including U.S. Savings Bonds;
- Mutual funds;
- Individual Retirement Accounts (IRAs); or
- Cash at home or anywhere else.

What does not count as a resource?

We do not count:

- Your primary residence;
- Your personal possessions;
- Your vehicle(s);
- Resources you could not easily convert to cash, such as jewelry or home furnishings;
- Property you need for self-support, such as rental property or land you use to grow produce for home consumption;
- Non-business property essential to your self-support;

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- Up to \$1,500 (or \$3,000 if you are married and living with your spouse) of the cash value of life insurance policies you hold;
- Burial spaces;
- Interest earned on money you plan to use for burial expenses;
- Certain other payments made to you, such as:
 - Retroactive Social Security or Supplemental Security Income payments;
 - Housing assistance;
 - Federal income tax refunds and earned income tax credit advances;
 - Compensation you receive as a crime victim; and
 - Relocation assistance from a state or local government.

What if I do not have all of the information?

Even if you do not have all of your information or cannot find the documents, you should file for the extra help if you think you will be eligible. We will work with you to explain the information we need.

How can I get more information?

For more information about getting extra help with your prescription drug costs, call Social Security at **1-800-772-1213** (TTY **1-800-325-0778**) or visit www.socialsecurity.gov.

If you need an application, also call Social Security, and ask for the *Application for Help with Medicare Prescription Drug Plan Costs* (SSA-1020). Beginning July 1, 2005, you will be able to apply online at www.socialsecurity.gov.

To learn more about the Medicare prescription drug plan, call **1-800-MEDICARE (1-800-633-4227)** or visit www.medicare.gov. Beginning in October 2005, you also will be able to get information on the drug plans available in your area.