

Government Plans Updated for 2007

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Social Security and Medicare revise their benefits at the beginning of each year to update the programs for inflation. For 2007, they have applied an inflation factor of 3.3%. Those of you who are collecting Social Security benefits, either disability, retirement or spouse & children benefits should have already received a letter announcing the amount of your benefit for 2007. There are other numbers that change as well due to this inflation adjustment. Below is a quick rundown of the numbers affecting people on or considering Social Security Disability or Retirement:

Social Security Benefits

Supplemental Security Income (SSI): The federal contribution for SSI, the needs based benefits for aged (65+) and disabled is increased to \$623 for an individual and \$934 for a couple. Note that this is only the federal portion of SSI payments. Many states including California and New York supplement that with an additional payment.

The Resource Limit remains at \$2,000 for an individual and \$3,000 for a couple.

Working Disabled: For persons collecting Social Security Disability (SSD) benefits, the minimum monthly amount they must earn for the month to count as a Trial Work Month is \$640 per month. There are nine Trial Work Months in a Trial Work Period during which a beneficiary can earn unlimited amounts without affecting the Disability Benefit amount.

The **Substantial Gainful Activity (SGA)** amount for 2007 is \$900 per month for a disabled person and \$1,500 for a blind beneficiary. Social Security disability benefits will continue after the Trial Work Period if the earnings remain below the SGA.

The amount that students can earn without affecting their SSI benefit is \$1,510 per month up to \$6,100 per year. This allows students collecting SSI to earn more money during school breaks.

Medicare

As part of the Medicare Modernization Act, many of the numbers used in Medicare were also tied to inflation beginning 01-01-06.

Medicare Premiums for 2007:

Part A: (Hospital Insurance) Premium

Most people do not pay a monthly Part A premium because either they or a spouse has 40 or more quarters of Medicare-covered employment.

For persons age 65 and over or disabled persons who have returned to work and continued their Medicare for the maximum 93 months after the Trial Work Period, premiums may be charged based on the number of quarters/credits they earned while working:

- The Part A premium is \$226.00 for people having 30-39 quarters of Medicare-covered employment.

- The Part A premium is \$410.00 per month for people who are not otherwise eligible for premium-free hospital insurance and have less than 30 quarters of Medicare-covered employment.

Part B: (Medical Insurance) Premium

\$93.50 per month. **HOWEVER** for the first time, Medicare is tying the premium for Part B to the beneficiary's total income. If your income is less than \$80,000 (single) or \$160,000 (married couple), then your Medicare Part B premium will be \$93.50 per month.

You Pay	If Your Yearly Income Is	
	<i>Single</i>	<i>Married Couple</i>
\$93.50	\$80,000 or less	\$160,000 or less
\$105.80	\$80,001-\$100,000	\$160,001-\$200,000
\$124.40	\$100,001-\$150,000	\$200,001-\$300,000
\$142.90	\$150,001-\$200,000	\$300,001-\$400,000
\$161.40	Above \$200,000	Above \$400,000

You Pay	If You Are Married but You File a Separate Tax Return from Your Spouse and Your Yearly Income Is
\$93.50	Under \$80,000 or less
\$142.90	\$80,001-\$120,000
\$161.40	Above \$120,000

Medicare Deductible and Coinsurance Amounts for 2007:

Part A: (pays for inpatient hospital, skilled nursing facility, and some home health care) For each benefit period Medicare pays all covered costs except the Medicare Part A deductible (2007 = \$992) during the first 60 days and coinsurance amounts for hospital stays that last beyond 60 days and no more than 150 days.

For each benefit period you pay:

- A total of \$992 for a hospital stay of 1-60 days.
- \$248 per day for days 61-90 of a hospital stay.
- \$496 per day for days 91-150 of a hospital stay (Lifetime Reserve Days).
- All costs for each day beyond 150 days

Skilled Nursing Facility Coinsurance

- \$124.00 per day for days 21 through 100 each benefit period.

Part B – Medical Insurance: (covers Medicare eligible physician services, outpatient hospital services, certain home health services, durable medical equipment)

- Calendar Year Deductible - \$131.00 per year. (Note: You pay 20% of the Medicare-approved amount for services after you meet the \$131.00 deductible.)
- Coinsurance remains generally at 80% of the Medicare allowable amount

Part D – Prescription Drug Coverage: The regular enrollment period just closed on 01-01-07. Only people just becoming eligible for Medicare or persons who qualify for the Special Enrollment Period may enroll in a Part D plan before the next open enrollment begins on 11-15-07