## Part D Late Enrollment Penalty

A Penalty will be assessed to anyone who:

1. Did not join a Medicare drug plan when they were first eligible for Part A and/or Part B

OR
2. Went without creditable prescription drug coverage for 63 days or more
Penalty will be for ALL fully uncovered months

Calculate number of fully uncovered months:
Example: Uncovered from $5 / 16 / 10-12 / 31 / 12=$

31 months


Penalty is $1 \%$ for each number of fully uncovered months:

Example: 31 months x 1\% = 31\%

Multiply penalty percent by current national base beneficiary premium* Example: (2020): \$32.74 x 31\% = \$10.14

Amount is then rounded to nearest \$0.10 Total Penalty = \$10.20

Cost of Standard Part D plan premium $+\$ 10.20$ (late enrollment penalty)= Part D total monthly premium

The penalty will be added to the standard premium of any Part D plan for which the member enrolls. The member will have topay the penalty each month as long as he/she has the Medicare prescriptiondrug coverage.

The late enrollment penalty premiums will be re-calculated using each year's national base premium.
*The current national base beneficiary premium is set by CMS
(Medicare) and is subject to change each calendar year.
Previous Years: [2019: \$33.19] [2018: \$35.02] [2017: \$35.63]
[2016: \$34.10] [2015: \$33.13] [2014: \$32.47]

