

How to Calculate the Part B Late Enrollment Penalty

2022 Example

0.10	
X \$170.10	← Part B National Base Premium for the plan year
<hr/>	
\$17.01	
X 5	← Number of years gone without creditable coverage
<hr/>	
\$85.05	← Penalty Amount

Your Turn

0.10	
X <input type="text"/>	← Part B National Base Premium for the current plan year
<hr/>	
<input type="text"/>	
X <input type="text"/>	← Number of years gone without creditable coverage
<hr/>	
<input type="text"/>	← Penalty Amount

What is the Part B late enrollment penalty?

Medicare Beneficiaries may have to pay a penalty if their enrollment in Medicare Part B is delayed from when they first became eligible to enroll. Enrollment can be delayed if the beneficiary has insurance coverage through job-based insurance or is eligible for a Medicare Savings Program (MSP). The penalty amounts change annually based on the base part B premium, and how long the beneficiary went without coverage.

Can the Part B Late Enrollment Penalty be Avoided?

A beneficiary will have to pay the Part B late enrollment penalty every month as long as they continue to have Medicare coverage. However, there is a way the Part B late enrollment penalty can be avoided. If a Medicare beneficiary intends to work past their 65th birthday and receives creditable coverage through an employer and the company has more than 20 employees, their Part B enrollment can be delayed with no penalty.

Avoid facing costly penalties by enrolling in Medicare when first eligible or having creditable coverage through an employer.

