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Docket No. SSA – 2017-0054

## **SOCIAL SECURITY ADMINISTRATION**

### **Privacy Act of 1974; Matching Program**

**AGENCY:** Social Security Administration (SSA).

**ACTION:** Notice a New Matching Program.

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**SUMMARY:** In accordance with the provisions of the Privacy Act, as amended, this notice announces a new matching program that we are currently conducting with the Internal Revenue Service (IRS).

This matching agreement sets forth the terms, conditions, and safeguards under which IRS will disclose to SSA certain return information for the purpose of establishing the correct amount of Medicare Part B premium subsidy adjustments and Medicare Part D premium increases under sections 1839(i) and 1860D-13(a)(7) of the Social Security Act (Act). (42 U.S.C. 1395r(i) and 1395w-113(a)(7) (42 U.S.C. 1395r(i) and 1395w-113(a)(7))), as enacted by section 811 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA; Pub. L. No. 108-173) and section

3308 of the Affordable Care Act of 2010 (Pub. L. No. 111-148).

**DATES:** The deadline to submit comments on the proposed matching program is 30 days from the date of publication in the Federal Register. The matching program will be applicable on April 1, 2018, or once a minimum of 30 days after publication of this notice has elapsed, whichever is later. The matching program will expire on September 30, 2019.

**ADDRESSES:** Interested parties may comment on this notice by either telefaxing to (410) 966-0869, writing to Mary Ann Zimmerman, Acting Executive Director, Office of Privacy and Disclosure, Office of the General Counsel, Social Security Administration, 617 Altmeyer Building, 6401 Security Boulevard, Baltimore, MD 21235-6401, or email at [Mary.Ann.Zimmerman@ssa.gov](mailto:Mary.Ann.Zimmerman@ssa.gov). All comments received will be available for public inspection at this address.

**FOR FURTHER INFORMATION CONTACT:** Interested parties may submit general questions about the matching program to Mary Ann Zimmerman, Acting Executive Director, Office of Privacy and Disclosure, Office of the General Counsel, by any of the means shown above.

**SUPPLEMENTARY INFORMATION:** The Computer Matching and Privacy Protection Act of 1988 (Public Law (Pub. L.) 100-503), amended the Privacy Act

(5 U.S.C. 552a) by describing the conditions under which computer matching involving the Federal government could be performed and adding certain protections for persons applying for, and receiving, Federal benefits. Section 7201 of the Omnibus Budget Reconciliation Act of 1990 (Pub. L. 101-508) further amended the Privacy Act regarding protections for such persons.

The Privacy Act, as amended, regulates the use of computer matching by Federal agencies when records in a system of records are matched with other Federal, State, or local government records. It requires Federal agencies involved in matching programs to:

- (1) Negotiate written agreements with the other agency or agencies participating in the matching programs;
- (2) Obtain approval of the matching agreement by the Data Integrity Boards of the participating Federal agencies;
- (3) Publish notice of the matching program in the Federal Register;
- (4) Furnish detailed reports about matching programs to Congress and OMB;
- (5) Notify applicants and beneficiaries that their records are subject to matching; and
- (6) Verify match findings before reducing, suspending, terminating, or denying a person's benefits or payments.

SSA has taken action to ensure that all of SSA's matching programs comply with the requirements of the Privacy Act, as amended.

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Mary Ann Zimmerman,  
Acting Executive Director,  
Office of Privacy and Disclosure,  
Office of the General Counsel.

**PARTICIPATING AGENCIES:** SSA and IRS

**AUTHORITY FOR CONDUCTING THE MATCHING PROGRAM:** Section 6103(1)(20) of the Internal Revenue Code authorizes IRS to disclose specified return information to SSA with respect to taxpayers whose Part B and/or Part D prescription drug coverage insurance premium(s) may (according to IRS records) be subject to premium subsidy adjustment pursuant to section 1839(i) or premium increase pursuant to section 1860D-13(a)(7) of the Social Security Act (Act) for the purpose of establishing the amount of any such adjustment or increase. The return information IRS will disclose includes adjusted gross income and specified tax-exempt income, collectively referred to in this agreement as modified adjusted gross income (MAGI). This return information will be used by officers, employees, and contractors of SSA to establish the appropriate amount of any such adjustment or increase.

Sections 1839(i) and 1860D-13(a)(7) of the Act (42 U.S.C. 1395r(i) and 1395w-113(a)(7)) require SSA to determine the amount of a beneficiary's premium

subsidy adjustment, or premium increase, if the MAGI is above the applicable threshold as established in section 1839(i) of the Act (42 U.S.C. 1395r(i)).

**PURPOSE(S):** The purpose of this matching program is to set forth the terms, conditions, and safeguards under which IRS will disclose to SSA certain return information for the purpose of establishing the correct amount of Medicare Part B premium subsidy adjustments and Medicare Part D premium increases under sections 1839(i) and 1860D-13(a)(7) of the Act (42 U.S.C. 1395r(i) and 1395w-113(a)(7)), as enacted by section 811 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA; Pub. L. No. 108-173) and section 3308 of the Affordable Care Act of 2010 (Pub. L. No. 111-148).

**CATEGORIES OF INDIVIDUALS:** SSA will disclose to IRS the name and Social Security number (SSN) of beneficiaries who are either enrolled in, or have become entitled to, Medicare Part B and Part D. IRS will extract and transmit MAGI data for such beneficiaries pertaining to the tax year beginning in the second calendar year preceding the year for which the premium adjustment is being calculated.

**CATEGORIES OF RECORDS:** When individuals enroll for the Medicare Part B or Medicare prescription drug coverage, or both, they are entitled to both under 1839(i) and 1860D-13(a)(7) section of the Act. On a weekly basis, SSA will provide IRS with this information with respect to Medicare Part B and Part D beneficiaries.

When there is a match of enrollee identifier, and the MAGI data shows income above the applicable threshold establish pursuant to section 1839(i) of the Act, IRS will disclose to SSA information about the Part B and Part D enrollee's who:

- a. are enrolled in Medicare under the rules in section 1837 of the Act (42 U.S.C. 1395p) and have not disenrolled from Medicare Part B;
- b. have filed applications specifically for Medicare Part B;
- c. have been determined to have retroactive Medicare Part B entitlement; or
- d. have been provided to SSA as enrolled in Medicare Part D by CMS.

Hereinafter, the beneficiaries described above will be referred to as "enrollees."

As part of the weekly transmission, SSA will include the name, SSN, premium year, and income threshold amounts for new enrollees. Once each year, on a date in October agreed to at the time between IRS and SSA, SSA will provide the name, SSN, premium year, and income threshold amounts for all enrollees. SSA will use information obtained in this annual request to determine Part B and Part D adjustments for the coming premium year. At the time of the agreed upon annual exchange, SSA will include the name, SSN, premium year, income threshold amounts, and requested tax year with respect to all enrollees who asked SSA to use a more recent tax year or for enrollees for whom IRS provided three year old return information on the initial request. SSA will use the information obtained to correct Part B and Part D adjustment amounts for the requested premium year.

**SYSTEM(S) OF RECORDS:** SSA will provide IRS with identifying information with respect to enrollees from the Master Beneficiary Record system of records, 60-0090, last fully published at 71 Federal Register (Fed. Reg.) 1826 (January 11, 2006), and amended at 72 Fed. Reg. 69723 (December 10, 2007) and at 78 Fed. Reg. 40542 (July 5, 2013).

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