

**COMPUTER MATCHING AGREEMENT  
BETWEEN  
THE DEPARTMENT OF THE TREASURY/  
THE INTERNAL REVENUE SERVICE  
AND  
THE SOCIAL SECURITY ADMINISTRATION**

**Income-Related Adjustments to Medicare Premiums  
SSA Match #1310                      IRS Project #693**

**Effective Date: October 1, 2025  
Expiration Date: March 31, 2027**

**I. PURPOSE**

This agreement between the Internal Revenue Service (IRS) and the Social Security Administration (SSA) is executed under the Privacy Act of 1974, 5 U.S.C. § 552a, as amended by the Computer Matching and Privacy Protection Act of 1988, and the Office of Management and Budget (OMB) guidance interpreting those statutes.

The premiums for Medicare medical insurance (Part B) and Medicare prescription drug coverage (Part D) are federally subsidized. Federal premium subsidy is the portion of the full cost of providing Medicare Part B coverage paid by the federal government through transfers into the Federal Supplementary Medical Insurance Trust Fund or the true cost of Part D based on the national average base premium, as determined by the Centers for Medicare & Medicaid Services (CMS), transferred into the Prescription Drug Coverage Account of the Federal Supplementary Medical Insurance Trust Fund. SSA determines the premium subsidy adjustment amount, which increases the monthly premium amount(s) payable by beneficiaries whose modified adjusted gross income (MAGI) exceeds the applicable threshold established in section 1839(i) of the Social Security Act (Act) (42 U.S.C. § 1395r(i)).

Medicare beneficiaries enroll in Medicare Part B and subsequently become entitled. Most beneficiaries described in sections 226 and 226A of the Act (42 U.S.C. §§ 426 and 426-1) become entitled to Part A (hospital insurance) and are automatically enrolled in Part B, but are given the opportunity to disenroll from Medicare Part B. Beneficiaries who disenroll from Medicare Part B may later choose to enroll during a general enrollment period or a special enrollment period. The enrollment periods for Medicare are further defined in section 1837 of the Act (42 U.S.C. § 1395p).

Participation in Part D is voluntary. Under the provisions described in section 1860D-1 of the Act (42 U.S.C. § 1395w-101), Medicare beneficiaries entitled to Medicare Part A, Part B, or both, may enroll with a Medicare-approved private sponsor during a prescribed enrollment period to obtain assistance with the purchase of covered medication. Medicare Part D provides for discounted beneficiary costs for prescription drugs, but

beneficiaries usually must pay certain premiums, deductibles, and copayments. Medicare Part D beneficiaries enroll into or disenroll from Part D through the sponsor.

This agreement sets forth the terms 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).

## **II. LEGAL AUTHORITY**

Section 6103(l)(20) of the Internal Revenue Code (IRC) authorizes IRS to disclose specified return information to SSA with respect to taxpayers whose Part B and/or 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 Act for the purpose of establishing the amount of any such adjustment or increase or for resolving taxpayer appeals with respect to such adjustment or increase. The return information IRS will disclose, as specified in Article V, subsection E, includes adjusted gross income and specified tax-exempt income, collectively referred to in this agreement as MAGI (see Article III, subsection D). This return information will be used by officers, employees, and contractors of SSA to establish the appropriate amount of any such adjustment or increase; and to defend appeals with respect to 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 the Commissioner of 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)).

## **III. DEFINITIONS**

- A. "Premium adjustment" is used throughout this document to refer collectively to the Part B Premium subsidy and the Part D prescription drug premium increase under sections 1839(i) and 1860D-13(a)(7) of the Act, respectively.
- B. "Premium year" means the calendar year for which SSA makes an income-related monthly adjustment amount determination.
- C. "Income-related monthly adjustment amount" (IRMAA) is an additional amount of premium that is paid by enrollees for Medicare Part B and/or Part D if their income is above the threshold amount. The IRMAA is based on MAGI.

- D. “Modified adjusted gross income” (MAGI) means the adjusted gross income, as defined by the Internal Revenue Code, plus specified tax-exempt income.
- E. “Threshold amount” means a MAGI amount above which the beneficiary will have to pay an IRMAA. CMS releases threshold ranges prior to the start of each calendar year. For 2025, the threshold amounts will be \$212,000 for beneficiaries who filed their income taxes as “married filing jointly”, and \$106,000 for all others.
- F. “Personally identifiable information” (PII) (as defined in OMB M-17-12 (January 3, 2017)) means any information that can be used to distinguish or trace an individual’s identity, either alone or when combined with other information that is linked or linkable to a specific individual.
- G. “Tax year” means the calendar year on which federal individual income taxes are calculated.
- H. “Return information” means federal return information (as defined by IRC § 6103(b)(2)) provided by IRS under this agreement and subject to confidentiality protection and safeguards required by IRC § 6103(p)(4).

#### **IV. JUSTIFICATION AND ANTICIPATED RESULTS**

##### **A. Justification**

The volume of SSA’s requests for return information, and the method in which information documents are maintained, make computer matching the most feasible method of access.

##### **B. Anticipated Results**

1. IRS does not derive any benefit, direct or indirect, from this matching program, nor does IRS incur any unreimbursed costs associated with this program.
2. SSA expects to derive efficiencies and cost savings and expects that Medicare beneficiaries will experience minimal burden and expedited enrollment processes. The benefit of this computer match with respect to the Medicare Part B and Part D programs are the increased assurance that SSA achieves savings to the Medicare Part B account in the Medicare Supplementary Insurance Trust Fund.

Based on fiscal year (FY) 2023 data from the Master Beneficiary Record (MBR), the total benefits for this computer matching operation are nearly \$12.6 billion. The estimated cost is \$276,913, with a benefit to cost ratio of 45,583 to 1 (See Attachment A).

#### **V. RESPONSIBILITIES OF THE PARTIES; RECORDS OF DESCRIPTION**

##### **A. SSA Responsibilities**

1. SSA will disclose to IRS the name and Social Security number (SSN) of beneficiaries who either are enrolled in, or have become entitled to, Medicare Part B, Part D, or both. On a weekly basis, SSA will provide IRS with this information with respect to Medicare Part B and Part D beneficiaries 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.”

2. 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 upon between IRS and SSA, SSA will provide the name, SSN, premium year, income threshold amounts, and requested tax year for all enrollees who asked SSA to use a more recent tax year, all Medicare beneficiaries enrolled for the next premium year, and enrollees for whom the IRS provided return information from the tax year three years prior to the premium year on the initial request.
3. SSA will transmit the records to IRS electronically.
4. SSA will use the information obtained in IRS’ annual exchange to correct Part B and Part D adjustment amounts for the requested premium year.

#### B. IRS Responsibilities

1. On a weekly basis, IRS will extract MAGI data pertaining to the enrollees from the Return Transaction File (RTF). IRS will extract MAGI data pertaining to the tax year beginning in the second calendar year preceding the year for which the premium adjustment is being calculated (the premium year). When MAGI data for the second tax year preceding the premium year is not available as of October 16 of the year immediately preceding the premium year, MAGI data pertaining to the third tax year preceding the premium year will be provided to SSA.
2. For the annual request, IRS will extract MAGI data as described above and provide the responsive records to SSA. For requests seeking more recent tax year data, IRS will extract MAGI data of the requested year, and provide the information to SSA.
3. IRS will transmit the records to SSA electronically.
4. IRS will account for disclosures made under this agreement as required pursuant to IRC 6103(p)(3)(A).

### C. Systems of Records (SOR)

1. SSA will provide IRS with identifying information with respect to enrollees pursuant to the Master Beneficiary Record (MBR), 60-0090, last fully published on January 11, 2006 (71 Federal Register (Fed. Reg.) 1826) and amended on December 10, 2007 (72 Fed. Reg. 69723), July 5, 2013 (78 Fed. Reg. 40542) July 3, 2018 (83 Fed. Reg. 31250 and 83 Fed. Reg. 31251), November 1, 2018 (83 Fed. Reg. 54969), January 5, 2024 (89 Fed. Reg. 825), and February 27, 2024 (89 Fed. Reg. 14554).
2. SSA will maintain the MAGI data provided by IRS in the Medicare Database (MDB) File System 60-0321, last fully published on July 25, 2006 (71 Fed. Reg. 42159) and amended on December 10, 2007 (72 Fed. Reg. 69723), and November 1, 2018 (83 Fed. Reg. 54969).
3. IRS will extract MAGI data from the RTF, which is part of the Customer Account Data Engine (CADE) Individual Master File (IMF), Treasury/IRS 24.030, last fully published at 80 Fed. Reg. 54063 (September 8, 2015).
4. Disclosure of returns or return information may be made only as authorized by IRC § 6103. Disclosures of other information may be made for routine uses as indicated in the respective System of Records Notices (SORN) as published in the Federal Register.
5. The information in these systems of records may be updated during the effective period of this agreement as required by the Privacy Act of 1974.

### D. Number of Records

1. SSA sends IRS 51 weekly IRMAA Part B and/or Part D exchange requests per year. In addition, one week in October, SSA sends a combined weekly and annual IRMAA request that includes Part B and/or Part D enrollees.
  - a. The weekly average for FY 2023 IRMAA Part B excluding the annual exchange was approximately 75,083 records.
  - b. In October 2023 (FY 2024), SSA's separate annual IRMMA Part B and/or Part D request was 47,994,919 records.
  - c. The FY 2023 IRMMA exchange with IRS and the annual exchange in October 2023 include 52 weekly exchanges totaling an estimated 51,824,157 enrollees. This number includes both Part B and Part D enrollees.
2. IRS will provide a response record for each enrollee identified by SSA.

#### E. Specified Data Elements

1. SSA will electronically transmit to IRS the SSN, name, premium year, and income threshold for each enrollee for whom SSA requests MAGI data. If the enrollee has asked SSA to use a more recent tax year, SSA will also furnish IRS with an indicator and tax year.
2. When there is a match of enrollee identifiers, and the MAGI data shows income above the applicable threshold established pursuant to section 1839(i) of the Act, IRS will disclose to SSA the enrollee's:
  - a. adjusted gross income dollar amount,
  - b. tax-exempt income dollar amount,
  - c. tax year involved, and
  - d. filing status.

#### F. Data Exchange Schedule

The computer matching program under this agreement will run weekly beginning with the effective date of this agreement for a period of 18 months, in accordance with schedules set by the IRS. SSA will deliver the request for information by 5:00 p.m. each Thursday. IRS will respond by 5:00 p.m. each following Wednesday. The annual extract pertaining to current Medicare Part B and Part D enrollees will run in October, on a date agreed to by IRS and SSA.

### **VI. NOTICE PROCEDURES**

- A. SSA will publish notice of the matching program in the Fed. Reg. as required by the Privacy Act of 1974 (5 U.S.C. § 552a(e)(12)).
- B. SSA will provide direct notice, in writing, that IRMAA may apply to those who participate in Medicare Part B, Part D, or both.

### **VII. VERIFICATION AND OPPORTUNITY TO CONTEST**

- A. When SSA makes an initial determination that a Part B or Part D premium should be adjusted, pursuant to the Privacy Act of 1974 (5 U.S.C. § 552a(o)(1)(D)), SSA will notify each enrollee of the match findings and provide the following information:
  1. that SSA has received information that indicates that the proposed action is necessary; and
  2. that the enrollee has a specified number of days (at least 10) from the date of the notice to contest the proposed action to adjust the premium amounts or SSA will conclude that the data upon which that decision is based are correct and will make necessary adjustments.

Notice(s) will be sent to an enrollee's representative payee when authorized.

- B. SSA will independently verify the return information in accordance with the above procedures.
- C. If the enrollee asserts that IRS information is incorrect or the amount(s) of premium adjustments(s) is incorrect, SSA will provide a process compliant with the Privacy Act of 1974 (5 U.S.C. § 552a(p)), as described in regulations at 20 Code of Federal Regulations (C.F.R.) §§ 418.1135 and 418.1140, permitting the enrollee to provide to SSA new evidence of MAGI that the enrollee obtained from IRS, requesting that SSA take corrective action.

## **VIII. DISPOSITION OF MATCHED RECORDS**

A. SSA will:

- 1. Not create a separate file or system of records consisting of information concerning only those individuals who are involved in this specific matching program, except as necessary to control or verify the information for purposes of this program; and
- 2. Destroy the matching file generated through this matching operation as soon as the information has served the matching program purpose and all legal retention requirements established in conjunction with the National Archives and Records Administration under applicable procedures have been met.

B. IRS will:

Retain all SSA electronic request files (whether weekly or annually) for approximately 90 days. The information provided by SSA is not used by the IRS for any purpose other than this matching program. The IRS Office of Records & Information Management has deemed this information to be of a transitory nature, or 'transitory records', specifically 'intermediate input files' as defined in General Records Schedule 5.2, Item 010. The IRS will protect transitory records in the same manner that it protects IRS records. The Input/Tickler file will be destroyed when no longer needed for business use.

## **IX. SAFEGUARD REQUIREMENTS AND DISCLOSURE RESTRICTIONS**

A. IRS and SSA will:

- 1. Comply with OMB breach reporting guidelines per OMB M-17-12 (January 3, 2017). If either SSA or IRS experiences an incident involving the suspected or confirmed breach (i.e., loss) of PII, provided by SSA or IRS under the terms of this agreement, they will follow the incident reporting guidelines issued by OMB. In the event of a suspected or confirmed breach, the agency experiencing the breach is responsible for following its established procedures,

including notification to the proper organizations. In addition, the agency experiencing the breach will notify the other agency's point of contact named in this agreement.

2. Follow PII breach notification policies and related procedures issued by OMB and other applicable legal, regulatory, and administrative authorities. If the agency that experienced the breach determines that the risk of harm requires notification to affected individuals or other remedies, that agency will carry out these remedies without cost to the other agency.
3. Comply with Section 3544(a)(1)(A)(ii) of the Federal Information Security Management Act of 2002 (FISMA), as amended by the Federal Information Security Modernization Act of 2014, which requires agencies and their contractors to ensure their computer systems are FISMA compliant. In this regard, National Institute of Standards and Technology (NIST) standards and guidance must be implemented and adhered to by IRS and SSA's contractor(s).

B. For SSA:

1. SSA will comply with the requirements of IRC § 6103(p)(4). IRS Publication 1075, *Tax Information Security Guidelines for Federal, State, and Local Agencies*, defines these requirements and they are the standards utilized by IRS Office of Safeguards, Governmental Liaison, Disclosure and Safeguards, hereafter referred to as "IRS Safeguards," when conducting on-site reviews. The agency will have the opportunity to present alternative solutions and compensating controls where they are unable to meet specified requirements as part of the Corrective Action Plan (CAP) response process.
2. SSA will submit an updated Safeguard Security Report (SSR) to IRS Safeguards by January 31<sup>st</sup> annually. The Head of Agency must certify the SSR fully describes the procedures established for ensuring the confidentiality of return information, addresses all Outstanding Actions identified by the IRS Safeguards from SSA's prior year's SSR submission; and accurately and completely reflects the current physical and logical environment for the receipt, storage, processing, and transmission of return information. Include a listing of any agreements executed by SSA with another federal agency which provides for disclosure of return information provided by IRS under this Agreement.
3. SSA will allow IRS to conduct periodic safeguard reviews involving physical inspections of facilities where return information that SSA receives from IRS under a matching program is maintained as well as automated and manual testing of computer systems where return information that SSA receives from IRS under a matching program is maintained, to include contractor facilities and computer systems, to ensure IRS safeguarding requirements are met and will permit the IRS access to such facilities and computer systems as needed to review SSA and contractor compliance with the IRC § 6103(p)(4) requirements.

4. Officers, employees, and contractors of SSA who are entitled to access return information provided under this agreement must not access this information except to the extent necessary to achieve the purpose of the match. They must not disclose this information to any other officer or employee of SSA, nor to any contractor or employee of a contractor, whose official duties do not require this information to determine the applicable premium adjustment(s), if any, for the program specified in this agreement. Officers, employees, and contractors of SSA must not disclose this information except as specifically authorized by IRC § 6103(l)(20).
5. Officers, employees, or contractors of SSA who inspect or disclose return information obtained pursuant to this agreement in a manner or for a purpose not authorized by IRC § 6103(l)(20) are subject to the criminal penalty provisions of IRC §§ 7213 and 7213A, and of 18 U.S.C. § 1030(a)(2). In addition, SSA could be required to assist the Department of Justice (DOJ) in defending, or a contractor could be required to defend, a civil damages action under IRC § 7431.
6. When a data incident results in SSA taking adverse or disciplinary action against an employee based on an unauthorized inspection or disclosure of return information in violation of SSA's procedures, SSA must notify each impacted taxpayer in writing. The notification letter must include the date of the unauthorized inspection or disclosure and notify the taxpayer of their rights to file a civil action under IRC § 7431. SSA must report to IRS Safeguards when taxpayer notification letters are issued, in accordance with Publication 1075.
7. SSA will conduct periodic internal inspections of SSA facilities where return information is maintained, to ensure IRS safeguarding requirements and SSA security policies and procedures are being followed.
8. IRC § 6103(p)(9) requires SSA to conduct on-site assessments of each contractor's compliance with safeguarding requirements. SSA must submit findings of the most recent review as part of the annual SSR submission. SSA must certify to the IRS that each contractor is in compliance with safeguarding standards in accordance with Publication 1075. SSA must ensure that contracts with contractors and subcontractors performing work involving return information contain specific language requiring compliance with IRC § 6103(p)(4) and Publication 1075 standards. Contract language must include right of access to contractor and subcontractor facilities to review compliance with IRS safeguarding requirements.
9. If SSA receives a Freedom of Information Act (FOIA) request for safeguard reports required to be filed with IRS by Publication 1075, SSA will consult with IRS to obtain its views on disclosure before responding to the request in accordance with DOJ guidance. IRS will promptly provide its views on the ability to disclose the contents of the records to SSA. If SSA receives a FOIA

request for a document that wholly originated from IRS or any communication from IRS that describes the security procedures that protect the return information provided under this agreement, SSA will refer the request to IRS for processing in accordance with DOJ guidance.

10. IRS procedures pursuant to regulations at 26 C.F.R. § 301.6103(p)(7)-1, include notification to SSA in writing when disclosures of return information to the Office of Medicare Hearings and Appeals (OMHA) and the Department Appeals Board (DAB) within the Department of Health and Human Services (DHHS), or DOJ must be terminated (or suspended for a period) for failure to maintain adequate safeguards required by IRC § 6103(p)(4). Further, SSA will immediately advise IRS of any information reasonably indicating that one of these agencies is not in compliance with IRC § 6103(p)(4).
11. Approximately 120 days prior to a scheduled on-site safeguard review of SSA, IRS will send a notification and request for additional information required in preparation of the review. Ninety (90) days prior to the review, IRS Safeguards will host a preliminary security evaluation call to discuss systems and environment to determine potential scope of the on-site review. IRS Safeguards will deliver the proposed review scope approximately 60 days prior to start of the on-site review.
12. SSA will report incidents of suspected unauthorized inspections or disclosures of return information to IRS Safeguards.

## **X. RECORDS USAGE AND DUPLICATION**

SSA agrees to the following limitations on access to, and use and disclosure of, return information provided by IRS:

- A. Officers, employees, and contractors of SSA may use the return information provided by IRS only for the purposes of, and to the extent necessary in, establishing the appropriate amount of any premium adjustment under sections 1839(i) and 1860D-13(a)(7) of the Act or for the purpose of resolving taxpayer appeals with respect to any such premium adjustment or increase. SSA may not use the information in any manner or for any purpose not consistent with that authorized under IRC § 6103(l)(20). Any secondary use is specifically prohibited and may subject offending officers, employees, or contractors to the imposition of civil or criminal penalties, or both.
- B. SSA shall not disclose to any person in any manner, return information received pursuant to this agreement, except as necessary to determine the applicable premium adjustment(s) under the programs specified in this agreement or for the purpose of resolving taxpayer appeals with respect to any such premium adjustment or increase.

- C. IRS safeguarding requirements under IRC § 6103(p)(4) would also apply to DHHS/OMHA and DHHS/DAB, and to the DOJ as recipients of return information disclosed by SSA under IRC § 6103(l)(20) and this agreement.
- D. Incidents of suspected unauthorized inspections or disclosures of return information must be reported to IRS Safeguards within 24 hours of discovery.

## **XI. ACCURACY ASSESSMENTS**

- A. IRS will initially validate all SSNs and names provided by SSA against its National Account Profile (NAP) DM1 file prior to matching the records against the RTF. The correctness of the IRS return information provided to SSA is generally contingent upon the correctness of the information on the return.
- B. SSA does not have an accuracy assessment specific to the data elements listed in this agreement for the MBR, beneficiaries covered under the Social Security disability insurance program (Title II). However, SSA conducts periodic, statistically valid, stewardship (payment accuracy) reviews, in which the benefits or payments listed in this agreement are included as items available for review and correction. SSA quality reviewers interview the selected Title II program beneficiaries or recipients. SSA reviews the non-medical factors of eligibility to determine whether the payment was correct. Based on the available study results, SSA has a reasonable assurance that SSA's accuracy assumptions of a 98.9 percent confidence level for the monthly benefits or payments listed in this agreement (FY 2023 Title II Stewardship Report, July 2024).

## **XII. ACCESS BY THE GOVERNMENT ACCOUNTABILITY OFFICE (COMPTROLLER GENERAL)**

The Government Accountability Office (Comptroller General) may have access to IRS and SSA records, to the extent authorized by 26 U.S.C. § 6103 and 5 U.S.C. § 552a(o)(1)(K), for purposes of monitoring and verifying compliance with this agreement.

### **XIII. REIMBURSEMENT**

All work done by IRS for SSA under this agreement will be performed on a cost reimbursable basis. IRS will recover all reasonable direct and indirect costs, including overhead, associated with performing services for SSA under this agreement. Pursuant to IRC § 6103(p)(2)(B), IRS may prescribe a reasonable fee for furnishing return information.

Cost estimates will be prepared on an annual basis. The cost estimates for these activities will be detailed on an executed Financial Management Service (FMS) Form 7600-A and FMS Form 7600B. The terms and conditions of reimbursement will remain in effect for the fiscal year unless those terms are modified by an amended FMS Form 7600A and FMS Form 7600B. The IRS administers the computer matching program for the benefit of the agencies that participate in it. Accordingly, the IRS expects to recover 100 percent of the costs it incurs to administer this program.

Costs associated with this program are primarily related to the actions by IRS required to make the data sharing program available to SSA for the performance of the computer matching. These costs include personnel in place to administer the program, setup and testing of the matching system by Information Technology personnel, and the IRS Safeguards program and personnel necessary to ensure protection of the associated federal tax information.

Billing will be at least monthly and may be more frequent based on the work performed. Actual costs may be higher or lower than the estimate. Both agencies must approve of the estimated cost electronically through the Bureau of Fiscal Service's G-Invoicing Form 7600A, General Terms and Conditions, which may be executed for up to five fiscal years, and Form 7600B, Order, which must be executed each fiscal year, prior to the initiation of any services under this agreement. IRS' authority to incur obligations through the performance of services under this agreement and SSA's authority to reimburse IRS under this agreement shall not exceed the amounts specified in G-Invoicing. If it becomes apparent that original cost estimates will be exceeded, modification through G-Invoicing will be required.

#### **Reimbursement by SSA**

SSA may incur costs under this agreement on a federal fiscal year basis only. Since this agreement spans multiple fiscal years, SSA and IRS may execute FMS Form 7600A for up to a 5-year period, not to exceed the estimated cost. IRS will prepare a new FMS Form 7600B through G-Invoicing at the beginning of each fiscal year that this agreement remains in effect. Both agencies will also work together to prepare FMS Form 7600A and 7600B. SSA's ability to incur costs for fiscal years beyond FY 2026 is subject to the availability of funds. If funds are not available for reimbursement, IRS is not required to perform this match. IRS will collect funds from SSA during FY 2026 through Treasury's G-invoicing system which will generate an Intragovernmental Payment and Collection (IPAC) bill on a regular basis, sufficient to reimburse IRS for the costs it has incurred for performing services.

## **XIV. DURATION OF THE AGREEMENT**

### **A. Matching Agreement**

The effective date of this computer matching agreement is October 1, 2025, provided that SSA reports the proposal to re-establish this matching program to the Congressional committees of jurisdiction and OMB in accordance with 5 U.S.C. § 552a(o)(2)(A) and OMB Circular A-108 (December 23, 2016), and SSA publishes notice of the matching program in the Fed. Reg. in accordance with 5 U.S.C. § 552a(e)(12) prior to that date. In accordance with 5 U.S.C. § 552a(o)(2)(C), this agreement will expire 18 months after the effective date.

Ninety days prior to the expiration of this agreement, the parties to this agreement may request a 12-month extension in accordance with 5 U.S.C. § 552a(o). If either agency does not want to extend this agreement, the agency should notify the partnering agency at least 90 days prior to the expiration of this agreement. This agreement may be modified at any time by a written modification to this agreement that satisfies both parties and is approved by the Data Integrity Board (DIB) of each agency.

### **B. Modification and Termination of Agreement**

Any modification will be effective only after approval by the DIBs of both agencies.

The parties may terminate this agreement at any time with the consent of both parties. Either party may unilaterally terminate this agreement upon written notice to the other party, in which case the termination will be effective 90 days after the date of the notice, or at a later date specified in the notice, provided the termination date does not exceed the original or the extended completion date of the match.

Either SSA or IRS may immediately and unilaterally suspend the data flow of this agreement or terminate this agreement if there has been:

1. an unauthorized use of information obtained under this agreement by a party;
2. a violation of, or failure to follow, the terms of this agreement by a party;
3. SSA's non-payment to IRS in accordance with the parties' reimbursable agreement.

If either party suspects that the other party has breached the data security terms of the agreement, the party may suspend the data flow until such time that both parties make a determination regarding the suspected breach. Reimbursement for services provided will be paid regardless of any such suspension.

IRS will monitor and enforce compliance with Federal Safeguards requirements applicable to return information. If IRS determines that SSA fails to meet the Safeguard requirements, IRS will suspend or terminate further disclosures of return information to

SSA until SSA fully complies with the subject Safeguards requirements. Federal tax regulations (26 C.F.R. § 301.6103(P)(7)-1) provide for an administrative review of any determination of noncompliance with IRC § 6103 (p)(4).

## **XV. PERSONS TO CONTACT**

Any change of the information pertaining to any contact must be promptly provided in writing to the contacts of the other agency.

### **A. IRS Contacts:**

#### **1. Project Coordinator**

Klaudia K. Villegas, Senior Analyst  
Governmental Liaison, Disclosure and Safeguards  
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#### **2. Safeguards and Recordkeeping Procedures**

Kevin Woolfolk, Associate Director  
Internal Revenue Service  
Governmental Liaison, Disclosure and Safeguards  
Safeguards  
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### **B. SSA Contacts:**

#### **1. Matching Program**

Marcia O. Midgett, Government Information Specialist  
Electronic Interchange, Liaison and Breach Division  
Office of Privacy and Disclosure  
Office of Law and Policy  
6401 Security Boulevard, Altmeyer Building  
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Telephone: (410) 966-3219  
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#### **2. Breach Contact**

Andrea Huseth, Division Director

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Office of Law and Policy  
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3. Systems Operations

Colleen Carpenter, Director  
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Office of Benefit Information Systems  
Office of Software Engineering  
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Email: [Robert.Muffoletto@ssa.gov](mailto:Robert.Muffoletto@ssa.gov)

4. Program and Policy

Lindsay Trezona  
Team Leader  
Medicare Team  
Office of Earnings, Enumeration and Medicare Policy  
6401 Security Boulevard, Robert M. Ball Building  
Baltimore, MD 21235  
Telephone: (717) 487-9476  
Fax: (410) 966-5366  
Email: [Lindsay.Trezona@ssa.gov](mailto:Lindsay.Trezona@ssa.gov)

5. Reimbursement Information

Michele Bailey, Director  
Division of Reimbursable and Administrative Collections  
Division of Finance  
Office of Financial Policy Operations  
Office of Budget, Finance and Management  
6401 Security Boulevard, 2-G-1 ELR  
Baltimore, MD 21235  
Telephone: (410) 965-0729  
Email: [Michele.Bailey@ssa.gov](mailto:Michele.Bailey@ssa.gov)

6. Data Exchange Liaison

Jamillah Jackson, Branch Chief  
Federal Agreements Branch  
Office of Income Security Programs  
Office of Law and Policy  
6401 Security Boulevard, 4830 Annex Building  
Baltimore, MD 21235  
Telephone: (410) 965-3747  
Email: [Jamillah.N.Jackson@ssa.gov](mailto:Jamillah.N.Jackson@ssa.gov)

**XVI. AUTHORIZED OFFICIALS**

- A. The official with authority to request information under this agreement on behalf of SSA is:

Matthew D. Ramsey  
Executive Director  
Office of Privacy and Disclosure  
Office of Law and Policy  
Social Security Administration  
6401 Security Boulevard, G-400 WHR  
Baltimore, MD 21235  
Telephone: (410) 966-5839  
Email: [Matthew.Ramsey@ssa.gov](mailto:Matthew.Ramsey@ssa.gov)

- B. The official with authority to disclose, or authorize the disclosure of, return information under this agreement on behalf of IRS is:

Brytten Rice, Acting Director  
Office of Governmental Liaison, Disclosure, and Safeguards  
Internal Revenue Service  
1550 American Blvd East  
Bloomington, MN 55425  
Telephone: (763) 347-7366  
Email: [Brytten.M.Rice@irs.gov](mailto:Brytten.M.Rice@irs.gov)

## **XVII. LIMITATIONS**

The terms of this agreement are not intended to alter, amend, or rescind any provision of federal law now in effect. Any provision of this agreement that conflicts with federal law is invalid.

## **XVIII. DISPUTE RESOLUTION**

Disputes related to this agreement will be resolved in accordance with instructions provided in the Treasury Financial Manual, Volume I, Part 2, Chapter 4700, Appendix 5, *"Intragovernmental Transaction Guide"*.

## **XIX. LIABILITY**

- A. Each party to this agreement shall be liable for acts and omissions of its own employees.
- B. Neither party shall be liable for any injury to another party's personnel, nor damage to another party's property, unless such injury or damage is compensable under the Federal Tort Claims Act (28 U.S.C. § 1346(b)), or pursuant to other federal statutory authority.
- C. Neither party shall be responsible for any financial loss incurred by the other, whether directly or indirectly, through the use of any data furnished pursuant to this agreement.

## **XX. CONTINGENCY CLAUSE**

This agreement is contingent on SSA meeting the Federal Safeguard requirements specified in article IX of this agreement. Matches with SSA under this agreement will be suspended or discontinued immediately if, at any time, IRS determines that SSA has failed to meet the Federal Safeguard requirements or any other Privacy Act requirements. See the regulations at 26 C.F.R. § 301.6103(p)(7)-1 regarding procedures for administrative review of such a determination.

## **XXI. REPORT TO CONGRESS**

When both the SSA DIB and the Treasury DIB have approved this agreement, SSA will submit a report of the matching program to Congress and OMB for review and will provide a copy of such notification to IRS.

## **XXII. SIGNATURES OF AUTHORIZED OFFICIALS**

The signatories below warrant and represent that they have the competent authority on behalf of their respective agencies to enter into the obligations set forth in this agreement.

**Electronic Signature Acknowledgement:** The signatories may sign this document electronically by using an approved electronic signature process. By signing this document electronically, the signatories agree that the signature they provide has the same meaning and legal validity and effect as a handwritten signature.

**Social Security Administration**

Jennifer  
Karangelen


 Digitally signed by Jennifer  
Karangelen  
Date: 2025.06.27 13:55:40 -04'00'

Date \_\_\_\_\_

Jennifer Karangelen  
Deputy Executive Director  
Office of Privacy and Disclosure  
Office of Law and Policy

The Social Security Administration DIB has reviewed this matching agreement and finds it in compliance with relevant statutes, regulations, and guidelines. We, therefore, approve the conduct of the aforementioned matching program.

Matthew  
Ramsey

 Digitally signed by Matthew  
Ramsey  
Date: 2025.06.30 17:01:03  
-04'00'

Date \_\_\_\_\_

Matthew D. Ramsey, DIB Chair  
Data Integrity Board  
Office of Privacy and Disclosure  
Office of Law and Policy

**Department of Treasury, Internal Revenue Service**

\_\_\_\_\_  
Brytten M. Rice, Acting Director  
Office of Governmental Liaison, Disclosure, and Safeguards

Date 7/1/2025

The Treasury Data Integrity Board has reviewed this matching agreement and finds it in compliance with relevant statutes, regulations, and guidelines. We, therefore, approve the conduct of the aforementioned matching program.

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Ryan Law, Chairperson, Treasury, Data Integrity Board  
Deputy Assistant Secretary  
Privacy, Transparency, and Records

Date 7/21/2025

**XXIII. EFFECTIVE DATE**

This agreement is effective on the 1st day of October, 2025.

It expires on the 31<sup>st</sup> day of March, 2027.

Attachments:

Cost Benefit Analysis (CBA) for Income-Related Adjustments to Medicare Premiums Computer Matching Operation between the Social Security Administration (SSA) and the Internal Revenue Service (IRS) (Match 1310)

# **Cost Benefit Analysis (CBA) for Computer Matching Agreement (CMA)**

**between**

## **Internal Revenue Service (IRS) and Social Security Administration (SSA) for Income-Related Adjustments to Medicare Premiums (Match 1310)**

### **Objective**

The objective of this report is to determine the cost effectiveness of the computer matching operation between SSA and IRS, which allows for reductions in Medicare Part B premium subsidies and income based premium adjustments made for Medicare Part D prescription drug coverage.

### **Background**

The Medicare Modernization Act of 2003 changed how the Center for Medicare and Medicaid Services (CMS) calculates premium amounts for Medicare Part B and Part D for higher income beneficiaries. Historically, the government paid approximately 75 percent of the Part B premium and the beneficiary paid the remaining 25 percent. As of January 2007, CMS required beneficiaries enrolled in Medicare Part B with Modified Adjusted Gross Income (MAGI) above a set threshold to pay a higher percentage of their Part B premium costs, while Part D enrollees with higher income began paying more for their monthly prescription drug coverage premiums in January 2011. These adjustments are known as the Income-Related Monthly Adjustment Amount (IRMAA), also referred to as the Medicare subsidy reduction.

For this matching operation, the IRS provides SSA with the MAGI data for Medicare Part B and Part D beneficiaries, which SSA uses to determine and correct, if necessary, the accurate monthly Part B and Part D subsidies and premium amounts. The benefit of this computer match is that SSA achieves savings to the Medicare Part B and Part D accounts in the Supplementary Medical Insurance (SMI) Trust Fund.

### **Methodology**

The Master Beneficiary Record (MBR) is divided into 20 Claims Account Number (CAN) segments for processing and updating. The last two digits in the CAN determines the segment in which we find the CAN.

The Office of Systems (Systems) provided the Office of Data Exchange and International Agreements (ODXIA) with the fiscal year (FY) 2023 IRMAA Part B and Part D savings reports for two segments of the MBR. The two randomly selected segments for this CBA are segments five and 15.

ODXIA used the Systems segment reports to determine the cost-savings resulting from the amount of IRMAA reduction on the record.

### **Benefits**

In segment five, there are 254,749 beneficiaries with an IRMAA Part B subsidy reduction on the record, which accounts for a savings of approximately \$629,679,848.

In segment 15, there are 255,181 beneficiaries with an IRMAA Part B reduction on the record for a savings of approximately \$632,215,713.

The combined IRMAA Part B savings for these two segments total **\$1,261,895,561**. To project the cost savings from the sample segments to all 20 MBR segments, we multiply the sum of these two segments by ten. We estimate a total savings of **\$12,618,955,610** for Medicare Part B.

Entitlement to Medicare Part A or Medicare Part B (or both) is a basic requirement for participation in the Medicare Part D. In FY 2023, we found an estimated 7,180 Part D beneficiaries who were not enrolled in Part B. The Part B standard premium for 2023 was \$164.90. Enrolling these 7,180 beneficiaries to Part B added approximately **\$3,551,946** to the SMI Trust Fund.<sup>1</sup> We assume that these beneficiaries were eligible for free Medicare Part A coverage.

The total benefit of this matching operation is **\$12,622,507,556**.

### **Costs**

The Office of Systems reported a personnel and systems cost of **\$86,627**. The IRS performs all work for SSA under an Interagency Agreement (IAA) on a cost reimbursable basis. The estimated cost of the IAA is **\$190,286**. The total cost of this matching operation is approximately **\$276,913**.

### **Conclusion**

Based on FY 2023 data from the MBR, the total benefits for this computer matching operation are nearly **\$12.6 billion**. The estimated cost is **\$276,913** with a benefit to cost ratio of **45,583 to 1**.

This matching operation is cost effective, and we recommend continuing this matching operation with IRS.

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<sup>1</sup> We assume new Part B enrollments are effective July 1 and the SMI Trust Fund received three months of additional premiums in FY 2023.

**Cost Benefit Analysis (CBA) for  
Computer Matching Agreement (CMA)  
between  
Internal Revenue Service (IRS) and Social Security Administration (SSA)  
for Income-Related Adjustments to Medicare Premiums  
(Match 1310)**

**Benefits**

Projected Savings from Part B Subsidy Reduction \$12,618,955,610

Projected Premium Income from Part B enrollment of Part D recipients \$3,551,946

<b>Total FY 2023 Benefits</b>	<b>\$12,622,507,556</b>
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**Costs**

SSA Systems Costs \$86,627

Inter-agency Agreement Costs \$190,286

<b>Total FY 2023 Costs</b>	<b>\$276,913</b>
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<b>Benefit-to-Cost Ratio</b>	<b>45,583 : 1</b>
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