

How much is the Part D penalty?

You'll pay an extra 1% for each month (that's 12% for each year) you could have joined a Part D plan, but didn't. The penalty is added to your monthly premium. It's not a one-time late fee – you'll pay the penalty each month for as long as you have Part D coverage.

You won't have to pay a penalty if you get Extra Help, or if you have creditable drug coverage. This is other prescription drug coverage that provides the same value as Medicare Part D. It might be drug coverage from a current or former employer or union, individual health insurance coverage, or other federal or state program, like TRICARE, VA, Indian Health Service, or FEHB.

If you have drug coverage that's not Medicare drug coverage (Part D), that organization has to tell you each year if it's creditable drug coverage.

- If the coverage is creditable, join a Medicare drug plan within 63 days of when that coverage ends (or it's no longer creditable) to avoid the penalty.
- If the coverage isn't creditable, join a Medicare drug plan when you first get Medicare to avoid the penalty.