

Value of Lifetime Medicare Benefits Compared to Taxes and Premiums, Before and After the Affordable Care Act (in 2009 dollars)

2009 Alternative	Birth year 1925	Birth year 1935	Birth year 1945	Birth year 1955	Birth year 1965	Birth year 1975	Birth year 1985
Benefits	\$89,518	\$133,379	\$192,421	\$254,900	\$345,237	\$450,689	\$544,259
Taxes and Premiums	<u>32,734</u>	<u>69,250</u>	<u>132,305</u>	<u>200,651</u>	<u>298,362</u>	<u>424,243</u>	<u>601,523</u>
Net Benefits	\$56,784	\$ 64,129	\$ 60,116	\$ 54,249	\$ 46,874	\$ 26,446	\$ -57,264
Benefits per \$1 of Taxes & Premiums	\$2.73	\$1.92	\$ 1.45	\$1.27	\$1.15	\$ 1.06	90¢
2010 Trustees Report							
Benefits	\$86,955	\$121,301	\$156,833	\$192,585	\$240,233	\$291,361	\$330,271
Taxes and Premiums	<u>32,323</u>	<u>67,185</u>	<u>124,027</u>	<u>181,358</u>	<u>251,660</u>	<u>332,906</u>	<u>440,861</u>
Net Benefits	\$54,633	\$54,116	\$ 32,805	\$ 11,227	\$ -11,428	\$ -41,545	\$ -110,591
Reduction in net benefits	\$2,151	\$10,013	\$27,311	\$43,023	\$58,302	\$67,990	\$53,327
Benefits per \$1 of Taxes & Premiums	\$2.69	\$1.80	\$1.26	\$1.06	95¢	88¢	75¢

Note: The reduction in net benefits indicates the change between the net benefits based on the 2009 alternative forecasts and the forecasts from the 2010 Medicare Trustees Report (in 2009\$). This is the best indication of the relative dollar change in the beneficiaries' net benefits (+) or net taxes (-) given that it includes both the reduction in benefits and in taxes and premium.

Source: Based on the 2009 Actuary Memorandum, the 2010 Trustees Report and authors' calculations (June 2011). For details, see the Appendix to Courtney Collins and Andrew J. Rettenmaier, "How Health Reform Affects Current and Future Retirees," National Center for Policy Analysis, Policy Report No. 333, May 2011. Available at <http://www.ncpa.org/pdfs/st333.pdf>.