

**50.4 - Waiver of Late Enrollment Penalty**  
**(Rev. 9, Issued: 02-05-10, Effective/Implementation Date: January 1, 2010)**

Depending upon when a beneficiary enrolls in a plan, s/he may be subject to late enrollment penalties. However, LIS eligible individuals are not subject to a late enrollment penalty as of the effective date of LIS eligibility. As long as these individuals stay continuously enrolled in a PDP or MA-PD, they will not be assessed an LEP, even if they lose their LIS eligibility. If LIS individuals disenroll and do not have creditable coverage for a continuous period of 63 days or longer, they will incur an LEP upon re-enrollment into a Part D plan if they are not LIS eligible; however, their uncovered months prior to LIS eligibility will not be a factor in the calculation of their LEP. Chapter 4 of this manual describes the late enrollment penalty in detail and how plans should administer this policy.