

# Meet IRMAA

## Medicare's income-related monthly adjustment amount

### Impact on high-income households

If you're on Medicare and you earn \$97,000 or more, you might "meet" IRMAA when you get a letter from the Social Security Administration (SSA) explaining that you owe a surcharge for Medicare Part B (doctor visits) and/or Part D (drug prescriptions).

Every year, the SSA reviews adjusted gross incomes of high earners for two years prior. (For example, in 2023, the SSA will examine 2021 tax returns.) If your income is now over the threshold, you'll owe extra payments. The IRMAA letter will specify the

amounts owed, calculations used, and ways to appeal the decision.

The chart below illustrates possible surcharges based on income thresholds.

MODIFIED ADJUSTED GROSS INCOME (MAGI)		MEDICARE PREMIUMS	
Individual	Joint	Part B monthly premium	Part D monthly premium
Less than or equal to \$97,000	Less than or equal to \$194,000	\$164.90	Plan premium (PP)
Above \$97,000 up to \$123,000	Above \$194,000 up to \$246,000	\$230.80	PP + \$12.20
Above \$123,000 up to \$153,000	Above \$246,000 up to \$306,000	\$329.70	PP + \$31.50
Above \$153,000 up to \$183,000	Above \$306,000 up to \$366,000	\$428.60	PP + \$50.70
Above \$183,000 but less than \$500,000	Above \$366,000 but less than \$750,000	\$527.50	PP + \$70.00
\$500,000 and above	\$750,000 and above	\$560.50	PP + \$76.40

Source: Medicare.gov.

### **What if your income decreases?**

If your income is lower today than when you qualified for IRMAA, you may be able to reduce the surcharge based on life-changing events. To request an IRMAA reduction, you can submit documentation to the SSA or call them at 800-772-1213 for information. Or speak to your advisor for help navigating IRMAA or the appeal process.

### **What's next?**

If you receive SSA benefits through direct deposit, the IRMAA will be automatically deducted from your monthly SSA check. If you pay Medicare directly, you'll receive instructions on how to add your surcharge amount.

### **Find out whom to call about Medicare options, claims, and more:**

<https://www.medicare.gov/talk-to-someone>

### **Life-changing events**

- Work stoppage/retirement.
- Marriage.
- Divorce/annulment.
- Death of a spouse.
- Work reduction.
- Loss of income-producing property.
- Loss of pension income.
- Employer settlement payments.

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**As always, your advisor is ready to answer any questions about IRMAA or how health care costs fit into your overall financial picture.**

Source: Medicare.gov.

All investing is subject to risk, including the possible loss of the money you invest.

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U.S. Patent No. 6,879,964.

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