

Income-Related Monthly Adjustment Amounts (IRMAA)

A Medicare Scholar presentation

IRMAA Explained

- Depending on your income, your monthly Part B or Part D premiums may be higher due to an Income-Related Monthly Adjustment Amount (IRMAA)
- Part B IRMAA started in 2007 as a result of the Medicare Modernization Act of 2003
- Part D IRMAA started in 2011 as a result of the Affordable Care Act of 2010

Eligible Income

- The income used to determine IRMAA is defined by Medicare as “adjusted gross income plus any tax-exempt interest”
- Also known as Modified Adjusted Gross Income
- Examples include:
 - Wages
 - Social Security Benefits
 - Capital Gains
 - Dividends & Pensions
 - Rental Income
 - Tax-deferred distributions from 401(k)s or IRAs

Part B IRMAA

If your yearly income in 2019 was:			You pay each month in 2021:
File individual tax return	File joint tax return	File married and separate tax return	
\$88,000 or less	\$176,000 or less	\$88,000 or less	\$148.50
above \$88,000 up to \$111,000	above \$176,000 up to \$222,000	Not applicable	\$207.90
above \$111,000 up to \$138,000	above \$222,000 up to \$276,000	Not applicable	\$297.00
above \$138,000 up to \$165,000	above \$276,000 up to \$330,000	Not applicable	\$386.10
above \$165,000 and less than \$500,000	above \$330,000 and less than \$750,000	above \$88,000 and less than \$412,000	\$475.20
\$500,000 or above	\$750,000 and above	\$412,000 and above	\$504.90

Part D IRMAA

If your yearly income in 2019 was:			You pay each month in 2021:
File individual tax return	File joint tax return	File married and separate tax return	
\$88,000 or less	\$176,000 or less	\$88,000 or less	Your plan premium
above \$88,000 up to \$111,000	above \$176,000 up to \$222,000	Not applicable	\$12.30 + your plan premium
above \$111,000 up to \$138,000	above \$222,000 up to \$276,000	Not applicable	\$31.80 + your plan premium
above \$138,000 up to \$165,000	above \$276,000 up to \$330,000	Not applicable	\$51.20 + your plan premium
above \$165,000 and less than \$500,000	above \$330,000 and less than \$750,000	above \$88,000 and less than \$412,000	\$70.70 + your plan premium
\$500,000 or above	\$750,000 and above	\$412,000 and above	\$77.10 + your plan premium

Do You Owe IRMAA?

- You will be notified by Social Security if you are required to pay IRMAA
- How to pay IRMAA:
 - Deduction from your monthly Social Security check, or
 - You'll receive a bill from Medicare or the Railroad Retirement Board
- You will never be asked by your Medicare Advantage or Part D plan for IRMAA payments

IRMAA Appeals

If you feel like you should not owe a Medicare Part B or Part D IRMAA, or you've had a major life changing event and your income has gone down, you can submit an appeal

- Form SSA-44 “Medicare Income-Related Monthly Adjustment Amount – Life-Changing Event”
- Schedule an interview with your local Social Security office by calling 800-772-1213
- Bring along proof of your current income sources



Questions?



Thank you for
attending!



Sources

- <https://www.medicare.gov/your-medicare-costs/part-b-costs>
- <https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/monthly-premium-for-drug-plans>
- <https://www.healthcareretirementplanner.com/2021/01/04/medicare-irmaa-the-history-and-possible-future/>