

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 2021 was:			You pay each month (in 2022)
File individual tax return	File joint tax return	File married & separate tax return	
\$97,000 or less	\$194,000 or less	\$97,000 or less	\$164.90
\$97,000 up to \$123,000	\$194,000 up to \$246,000	Not applicable	\$230.80
\$123,000 up to \$153,000	\$246,000 up to \$306,000	Not applicable	\$329.70
\$153,000 up to \$183,000	\$306,000 up to \$366,000	Not applicable	\$428.60
\$183,000 up to \$500,000	\$366,000 up to \$750,000	\$97,000 up to \$403,000	\$527.50
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$560.50

Part B Immunosuppressive Drug Coverage Only IRMAA

Starting in 2023, high-income beneficiaries that qualify for Part B immunosuppressive drug coverage after a successful kidney transplant will pay the following premiums, depending on their income:

If your yearly income in 2021 was:			You pay each month (in 2022)
File individual tax return	File joint tax return	File married & separate tax return	
\$97,000 or less	\$194,000 or less	\$97,000 or less	\$97.10
\$97,000 up to \$123,000	\$194,000 up to \$246,000	Not applicable	\$161.80
\$123,000 up to \$153,000	\$246,000 up to \$306,000	Not applicable	\$258.90
\$153,000 up to \$183,000	\$306,000 up to \$366,000	Not applicable	\$345.00
\$183,000 up to \$500,000	\$366,000 up to \$750,000	\$97,000 up to \$403,000	\$453.10
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$485.50

Part D IRMAA

If your yearly income in 2021 was:			You pay extra each month (in 2022)
File individual tax return	File joint tax return	File married & separate tax return	
\$97,000 or less	\$194,000 or less	\$97,000 or less	\$0.00
\$97,000 up to \$123,000	\$194,000 up to \$246,000	Not applicable	\$12.20
\$123,000 up to \$153,000	\$246,000 up to \$306,000	Not applicable	\$31.50
\$153,000 up to \$183,000	\$306,000 up to \$366,000	Not applicable	\$50.70
\$183,000 up to \$500,000	\$366,000 up to \$750,000	\$97,000 up to \$403,000	\$70.00
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$76.40

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/>
- <https://www.cms.gov/newsroom/fact-sheets/2023-medicare-parts-b-premiums-and-deductibles-2023-medicare-part-d-income-related-monthly>