

Medicare's Income Related Monthly Adjustment Amount (IRMAA)



What is this notice I received from Social Security about my Medicare premium adjustment?

The Social Security Administration (SSA) determines if the income-related monthly adjustment amount (IRMAA) applies to Medicare beneficiaries with Part B outpatient and/or Medicare Part D prescription drug coverage. SSA uses a Modified Adjusted Gross Income (MAGI) which is your reported Adjusted Gross Income plus any tax-free income. If that income as reported on your 2023 Tax Return is more than \$106,000 single or \$212,000 married, you as an individual may be subject to this adjustment as listed below.

Notices may be sent out when you initially sign up for Part B or Part D of Medicare. If you are enrolled in Part B or Part D, each November you may receive a notice with your Social Security Benefit announcement that you will have to pay an IRMAA for the following calendar year as the following chart for 2025 shows:

| Yearly modified adjusted gross income ¹ is: | | Part B Monthly Adjustment | Total Monthly Part B Premium ³ | Part D Monthly Adjustment ³⁴ |
|---|-----------------------|---------------------------|---|---|
| Individual Tax Return ² | Joint Tax Return | | | |
| \$106,000 or less | \$212,000 or less | \$0.00 | \$185.00 | \$0.00 |
| \$106,001 - \$133,000 | \$212,001 - \$266,000 | \$74.00 | \$259.00 | \$13.70 |
| \$133,001 - \$167,000 | \$266,001 - \$334,000 | \$185.00 | \$370.00 | \$35.30 |
| \$167,001 - \$200,000 | \$334,001 - \$400,000 | \$295.90 | \$480.90 | \$57.00 |
| \$200,001-\$499,999 | \$400,001-\$749,999 | \$406.90 | \$591.90 | \$78.60 |
| \$500,000 or above | Above \$750,000 | \$443.90 | \$628.90 | \$85.80 |
| Married filing separately but lived with spouse with modified adjusted gross income is ¹ : | | | | |
| \$106,000 or less | | \$0.00 | \$185.00 | 0.00 |
| \$106,001 - \$393,999 | | \$406.90 | \$591.90 | \$78.60 |
| \$394,000 or above | | \$443.90 | \$628.90 | \$85.80 |

¹ Total adjusted gross income plus any tax-exempt interest

² Also Head of Household

³ Adjustment paid to SSA, not the Plan.

⁴ Plus plan premium and any late enrollment penalty paid to the Plan.

I just retired and my income will be a lot less now. Can I ask SSA to use more recent tax information?



The SSA uses the most recent tax return which they have on file from the Internal Revenue Service. That is usually available to SSA each October, so for most of 2025, that will be your tax return for income earned in 2023. If your anticipated income for 2025 tax year will be lower than initially assessed, you may be able to appeal as outlined below. Life changing events which are the only basis for an appeal include a reduction in earned income (due to retirement), marriage, divorce, death of spouse and a few others.

I sold my home – is that a life-changing event?

Although we may think that the sale of a home is a big event, it is not on the list of SSA's life-changing events. A one-time large capital gain may boost your reported income significantly for just one year. Taking out a large taxable IRA amount or Roth conversion will do so as well. The good news is that the IRMAA only lasts for one year and will be evaluated each fall for the upcoming calendar year.

How do I go about filing an appeal?

The Social Security Administration has a specific appeal form with good instructions. It is available on their web site at <https://www.ssa.gov/forms/ssa-44.pdf>. It outlines a 5-step process with detailed explanations and instructions. You will need to provide documentation of the life-changing event that caused your income to decrease. You may mail in or FAX it to your local SSA office at: Antioch (833) 950-3669; Concord (833) 950-2746; Richmond (833) 950-3043.

You may have to file an appeal for the year in which you initially enroll in Part B/D as well as for the following calendar year. The SSA will check up on the tax returns actually filed and bill you if it turns out that the information listed in the appeal was not correct as anticipated.

You can always call HICAP for further information and assistance.

Contra Costa County Health Insurance Counseling and Advocacy Program (HICAP)

Contact Us: 925-655-1393, 1-(800) 510-2020 or 1-(800) 434-0222

Visit: www.cchicap.org then 'Contact Us' Email: ehsdhicap@ehsd.cccounty.us



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