

Medicare Insurance Enrollment Center™

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Blog Post: Why am I paying extra for my Part B and Part D premiums?

Are you wondering why you are paying extra for your Part B and Part D premiums? Well...Her name is IRMAA!

IRMAA stands for income-related monthly adjustment amount. It is the amount added onto your Part B and Part D premium if you make above a certain threshold. Basically, the more money you make the higher your premiums may be.

Medicare uses your modified adjusted income amount off your IRS tax return from 2 years prior to determine your premium amount (i.e. 2018 will determine your 2020 premiums).

Part B Premium

Each year the Part B premium is set at a standard rate and if you fall within a certain income limit, you will pay that standard premium. For 2020, the standard rate for the Part B premium is \$144.60. If you make more than the standard premium threshold, then you would be responsible for the higher premium amount. The income limits will also depend on how you file your taxes.

Reference the table below to help determine your Part B premium based on your income (2020).

If your yearly income in 2018 (for what you pay in 2020) was			You pay each month (in 2020)
File individual tax return	File joint tax return	File married & separate tax return	
\$87,000 or less	\$174,000 or less	\$87,000 or less	\$144.60
above \$87,000 up to \$109,000	above \$174,000 up to \$218,000	Not applicable	\$202.40
above \$109,000 up to \$136,000	above \$218,000 up to \$272,000	Not applicable	\$289.20
above \$136,000 up to \$163,000	above \$272,000 up to \$326,000	Not applicable	\$376.00
above \$163,000 and less than \$500,000	above \$326,000 and less than \$750,000	above \$87,000 and less than \$413,000	\$462.70
\$500,000 or above	\$750,000 and above	\$413,000 and above	\$491.60

Source: <https://www.medicare.gov/your-medicare-costs/part-b-costs>

Part D Premium

If you have a prescription drug plan, then most likely you are paying a premium. If you are enrolled in a Medicare plan that includes a prescription drug plan (i.e. Medicare Advantage Plan, Medicare Cost Plans), then the plans monthly premium may include a Part D premium.

You may be paying an amount in addition to your Part D premium. This may be IRMAA. Just like with Part B, IRMAA will go off your modified adjusted gross

income from your IRS tax return from two years ago. If you make above a certain threshold, you will be responsible for an additional amount.

Reference the table below to determine your Part D premium (2020).

If your filing status and yearly income in 2018 was			
File individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2020)
\$87,000 or less	\$174,000 or less	\$87,000 or less	your plan premium
above \$87,000 up to \$109,000	above \$174,000 up to \$218,000	not applicable	\$12.20 + your plan premium
above \$109,000 up to \$136,000	above \$218,000 up to \$272,000	not applicable	\$31.50 + your plan premium
above \$136,000 up to \$163,000	above \$272,000 up to \$326,000	not applicable	\$50.70 + your plan premium
above \$163,000 and less than \$500,000	above \$326,000 and less than \$750,000	above \$87,000 and less than \$413,000	\$70.00 + your plan premium
\$500,000 or above	\$750,000 and above	\$413,000 and above	\$76.40 + your plan premium

Source: <https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/monthly-premium-for-drug-plans>

Additional Important Information

Did you have a life-changing event within the past two years and are worried about paying higher premiums? You can request a reduction in your Medicare premiums by completing the following form and mailing it to your local Social Security Office (<https://www.ssa.gov/forms/ssa-44-ext.pdf>).

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You may have seen IRMAA creep up on your Medicare premium bill. To better understand your Medicare premium bill, please visit

<https://www.medicare.gov/sites/default/files/2018-07/11659-understanding-cms-500.pdf>

For further questions and information, please do not hesitate to contact us.