

# What Is IRMAA?

## What You Need to Know About Income Related Monthly Adjustment Amount

- An IRMAA is a surcharge added to your monthly Medicare Part B and Part D premiums, based on your yearly income.
- The Social Security Administration (SSA) uses your income tax information from 2 years ago to determine if you owe an IRMAA in addition to your monthly premium.
- The surcharge amount you'll pay depends on factors like your income bracket and how you've filed your taxes.
- IRMAA decisions can be appealed if there's an error in the tax information used or if you've experienced a life changing event that reduced your income.

### How much will IRMAA add to my Part B costs?

This amount is calculated using your income tax information from 2 years ago. So, for instance, in 2023, your tax information from 2021 will be assessed.

Surcharge amounts vary based on your income bracket and how you filed your taxes. The current tables showing the assessment amounts for 2024 are below:

Single	Couple MAGI	Part B	Part D
< \$103,000	< \$206,000	\$174.70	Premium (varies)
\$103,000 to \$129,000	\$206,000 to \$258,000	\$244.60	\$12.90
\$129,000 to \$161,000	\$258,000 to \$322,000	\$349.40	\$33.30
\$161,000 to \$193,000	\$322,000 to \$386,000	\$454.20	\$53.80
\$193,000 to \$500,000	\$386,000 to \$750,000	\$559.00	\$74.20
> \$500,000	> \$750,000	\$594.00	\$81.00

### How much will IRMAA add to my Part D costs?

- There's no standard monthly premium for Part D plans. The company offering the policy will determine its monthly premium.
- The surcharge for Part D is also determined based on your income tax information from 2 years ago. As with Part B, things like your income bracket and how you've filed your taxes impact the surcharge amount.
- The additional surcharge for Part D is paid directly to Medicare, not to your plan's provider.
- Even if you have a \$0 monthly premium Medicare Advantage plan, if it includes drug coverage you will be subject to the IRMAA surcharge for the Medicare Part D portion of your Medicare Advantage plan.

### How does an IRMAA work?

The Social Security Administration (SSA) determines your IRMAA. This is based on information provided by the Internal Revenue Service (IRS). You could receive a notice from the SSA regarding an IRMAA at any time.

If the SSA decides that an IRMAA applies to your Medicare premiums, you'll receive a predetermination notice in the mail. This will inform you about your specific IRMAA and will also include information such as:

- how the IRMAA was calculated
- what to do if the information used to calculate the IRMAA is incorrect
- what to do if you had a reduction in income or a life changing event

You'll then receive an initial determination notice in the mail 20 days or more after getting the predetermination notice. This will include information about the IRMAA, when it goes into effect, and steps that you can take to appeal it. You won't have to take any additional action to pay the surcharges associated with the IRMAA. They will be automatically added to your premium bills. Each year, the SSA reevaluates whether an IRMAA should apply to your Medicare premiums. So, depending on your income, an IRMAA could be added, updated, or removed.

### How can I appeal an IRMAA surcharge?

If you don't believe you should owe an IRMAA, you can appeal the decision. Let's take a closer look at how this process works.

## When can I appeal?

You **MUST** appeal an IRMAA decision **within 60 days of receiving an IRMAA determination notice in the mail**. Outside of this time frame, the SSA will evaluate whether you have good cause for a late appeal.

## In what situations can I appeal?

There are two situations when you can appeal an IRMAA.

The first situation involves the tax information used to determine the IRMAA. Some examples of tax situations when you might want to appeal an IRMAA include:

- The data used by the SSA to determine the IRMAA is incorrect.
- The SSA used older or out-of-date data to determine the IRMAA.
- You filed an amended tax return during the year the SSA is using to determine the IRMAA.

The second situation involves **life changing events**. These are events that significantly impact your income. There are seven qualifying events:

- marriage
- divorce or marriage annulment
- death of a spouse
- reduction or cessation of work
- loss or reduction of specific types of pensions
- loss of income from an income-generating property

## What documentation will I need to provide?

The documents you need to provide as a part of your appeal depend on your situation. They might include:

- federal income tax returns
- marriage certificate
- decree of divorce or marriage annulment
- death certificate
- copies of pay stubs
- signed statement from your employer indicating reduction or stoppage of work
- letter or statement indicating a loss or reduction of a pension
- statement from an insurance adjuster indicating loss of an income-generating property

## How do I submit an appeal?

An appeal may not be necessary. The SSA will sometimes perform a new initial determination using updated documentation. If you're not eligible for a new initial determination, you can appeal the IRMAA decision.

You can contact the SSA to begin the appeals process. Your initial determination notice should also have information on how to do this. The form to begin the process can be found here <https://secure.ssa.gov/poms.nsf/lnx/0601140001>

If you have questions or concerns about Medicare, IRMAA, or getting help with paying your premiums, consider using the following resources in addition to your financial consultant:

- **Medicare** - You can contact Medicare directly at 800-Medicare to get information on benefits, costs, and assistance programs like Medicare Savings Programs and Extra Help.
- **SSA** - To get information about IRMAA and the appeals process, the SSA can be contacted directly at 800-772-1213.
- **SHIP** - The State Health Insurance Assistance Program (SHIP) provides free assistance with your Medicare questions. You can find out how to contact your state's SHIP program here.

**Simply stated, IRMAA is not chump change!** If you have the right to file an appeal, it is worth your time to do so, and you may want to involve your tax consultant to assist you.