

Weekly Insight
September 29, 2025

How to Pay Less for Medicare: IRMAA Explained & Appeals

This Week's Focus

IRMAA is an income-based surcharge that can raise what you pay for Medicare Part B and Part D. It is set by using your tax return from two years earlier (for 2025 premiums, SSA looks at your 2023 MAGI), which is why new retirees or anyone with a one-time income spike often overpay until they act.

This edition of SFL Weekly Insights explains what IRMAA is, how the two-year lookback works, when you can appeal after a life-changing event, and first steps to plan MAGI so you can reduce Medicare premiums going forward.

Content Overview



What is IRMAA
& How to
appeal



What income
counts in
IRMAA MAGI



How Medicare
Part B/D
surcharges are
calculated



Prescription
Drug Plan
(Medicare
Part D) billing



785-404-6664



Randy.SolutionsForLife@gmail.com



www.SolutionsForLifeKS.com



How IRMAA Works *And How to Fix It*

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What is IRMAA?

IRMAA (**Income-Related Monthly Adjustment Amount**) is an income-based surcharge added to your Medicare Part B and Part D premiums. Social Security uses your tax return from *two years earlier* to decide if you owe it (for 2026 premiums, Medicare will look at 2024 MAGI). IRMAA is recalculated every year as new tax data arrives.

What income counts for IRMAA MAGI?

IRMAA uses a form of Modified Adjusted Gross Income (MAGI). **Items that commonly raise MAGI include:** wages, IRA/401(k) withdrawals, Roth conversions, interest, dividends, capital gains, rental/business income; **only the taxable portion of Social Security counts toward your MAGI.** MAGI also adds back tax-exempt interest (such as muni bonds). One large sale or conversion can push you into a higher IRMAA tier.

Why many retirees overpay

If you retired or reduced work recently, the two-year lookback may still reflect your higher income from the past. Today's Medicare premiums could be too high for your current situation.

How to appeal IRMAA (after a life-changing event)

If your income dropped due to a life-changing event (LCE), ask SSA to refigure IRMAA with **Form SSA-44** and proof. **Common LCEs include:** retirement or work reduction, marriage/divorce, death of a spouse, loss of a pension, or loss of income-producing property. You can upload the request through SSA, mail it, or take it to a local office. Keep copies and track confirmation.

Prescription Drug Plan (Medicare Part D) IRMAA reminder:

Part D IRMAA is an extra monthly amount **in addition to** your drug plan's premium. It is tied to a national base premium and is billed by Social Security/Medicare; Part D IRMAA is *not* billed by your Part D plan insurance company.

Coordination points to watch

- **RMDs raise MAGI.** RMDs start at age 73 for most (rising to 75 for those born 1960+). Plan withdrawals to avoid jumping IRMAA tiers.
- **Roth conversions & capital gains:** these are powerful planning tools, but they increase MAGI in the year you act. Size and time these assets carefully.

Bottom line: Know what feeds your IRMAA MAGI. Check whether a life change lets you appeal now and start mapping next year's income so you land in the right IRMAA bracket.



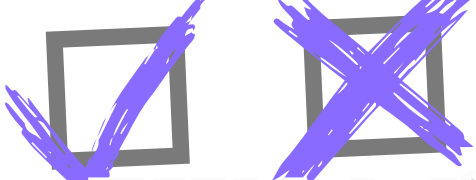
785-404-6664



Randy.SolutionsForLife@gmail.com



www.SolutionsForLifeKS.com



IRMAA Action Plan Set-Up

Bring This Worksheet to SFL

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Use this one-page IRMAA appeal and MAGI planning starter. **Together**, we will confirm your eligibility, assemble your Form SSA-44 to potentially reconfigure IRMAA, and design a bracket-aware plan to **reduce** your Medicare premiums going forward.

Two-Year Lookback Snapshot

Current premium year: _____ Tax year SSA used (two-year lookback): _____

Filing status now vs then: _____ / _____

Have you experienced a life-changing event (LCE)? ☐ **Yes** ☐ **No** If "Yes" - Circle reason:

Retirement • Work reduction • Marriage • Divorce • Death of spouse • Loss of pension • Loss of income-producing property • Employer settlement • Other: _____

Appeal Prep — Documents to Gather if you checked "Yes" above

Check which of the following you have immediate access to (bring copies to your appointment):

- ☐ **Employer letter or recent pay stubs** (retirement/work cut)
- ☐ **Decree/certificate** (marriage/divorce)
- ☐ **Death certificate + SSA benefit change notice** (death of spouse)
- ☐ **Pension/HR letter** (loss of pension or settlement)
- ☐ **Insurance/closing docs** (loss of income property/business)
- ☐ **Most recent tax return + current-year MAGI estimate** (These align with SSA-44 requirements; submit by mail/local office or via SSA's "lower IRMAA" process where available.)

IRMAA Cost Checks

Part B IRMAA showing on your bill? ☐ **Yes** ☐ **No**

Part D IRMAA is in addition to your drug plan premium and billed by SSA. Note amount: \$_____.

MAGI Guardrails (discovery only — we will finalize with you)

Roth conversion this year: \$_____ (size it to stay below target IRMAA tier; conversions raise MAGI in the year done). **Capital gains planned:** \$_____ (avoid stacking gains with conversions in the same year). **Withdrawal order this quarter (circle blend):** Taxable / Pre-tax / Roth (balance cash flow and MAGI). **RMD check (if 73+):** Est. RMD \$_____; consider QCDs to lower taxable income counted for IRMAA.

Next step: Book your IRMAA Review and bring this worksheet and above documents with you. We will verify the two-year lookback year, guide and help you complete your SSA-44 appeal, and build a MAGI plan (conversions, gains, withdrawals, RMD/QCD timing) aimed at the right IRMAA bracket.

➤ ***Book your review:***

Call **785-452-8039** or visit **www.SolutionsForLifeKS.com/book-appointment**



785-404-6664



Randy.SolutionsForLife@gmail.com



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6. Overlooking Income:

Ignoring how income affects Medicare premiums can result in higher monthly payments.

Q1: How does my income impact my Medicare premiums?

A1: Higher-income earners may pay higher premiums for Part B and Part D based on income-related monthly adjustment amounts (IRMAA).

Q2: What income levels trigger higher Medicare premiums?

A2: Individuals earning over \$97,000 and couples earning over \$194,000 in 2023 will see higher premiums based on IRMAA.

Q3: Can my Medicare premiums be adjusted if my income decreases?

A3: Yes, you can appeal IRMAA charges if you experience a life-changing event that reduces your income, such as retirement or marriage changes.

Q4: How often are Medicare premiums adjusted for income?

A4: Medicare premiums are adjusted annually based on your tax return from two years prior.

Q5: How can I avoid unexpectedly high Medicare premiums?

A5: Regularly review your income levels and consider tax-efficient strategies to keep your modified adjusted gross income (MAGI) below IRMAA thresholds.



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