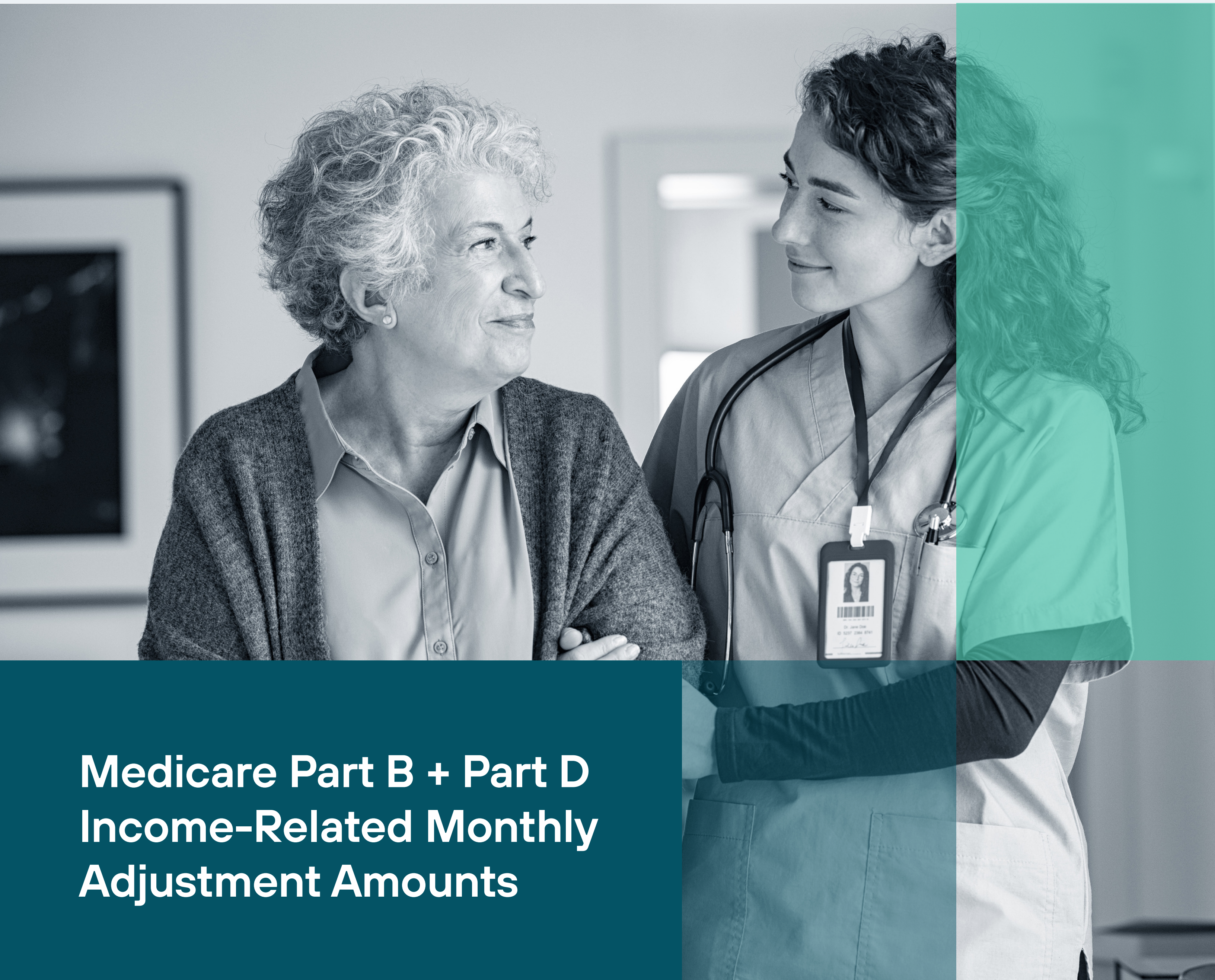
IRMAA Reconsideration

A Guide to Lowering Medicare Premiums After a Life Change



Medicare Part B + Part D Income-Related Monthly Adjustment Amounts

What IRMAA Is (and why it shows up "out of nowhere")

IRMAA is an extra monthly charge added to your Medicare **Part B** (medical) and **Part D** (prescription drug) premiums when your income is above certain thresholds. Social Security (SSA) determines whether you owe IRMAA using your **Modified Adjusted Gross Income (MAGI)** from a prior tax year. (Social Security)

The "gotcha" for many retirees: Medicare uses a **lookback**—so a high-income year (sale, bonus, Roth conversion, final working year, etc.) can raise premiums later, even if your income is now lower. SSA-44's instructions illustrate the concept (e.g., using 2024 tax information to set 2026 IRMAA). (Social Security)

When Reconsideration Makes Sense

You can ask SSA to **lower IRMAA** if you had a **qualifying life-changing event** and your household income is **now meaningfully lower**. SSA specifically points to life-changing events and provides a process to request a reduction. (Social Security)

Qualifying life-changing events (SSA list)

You can generally request reconsideration if you experienced one of these events: (Social Security)
- **Marriage**
- **Divorce/annulment**
- **Death of a spouse**
- **Work stoppage** (retirement or stopping work)
- **Work reduction** (reduced hours)
- **Loss of income-producing property** *(SSA notes this is typically loss **not at your direction**, not a voluntary sale)* (Social Security)
- **Loss of pension income**
- **Employer settlement payment**

Important nuance for high earners: A **one-time income spike** alone doesn't automatically qualify—you'll usually need the spike to be connected to a qualifying event and show that income is lower now. (Example: You retired and your income dropped; that often fits "work stoppage.") (Social Security)

Quick Self-Check: Are You A Good Candidate?

You're often a strong candidate if:
- ☐ You received an IRMAA notice (or you're paying more than the standard premium) **and**
- ☐ You had a qualifying event above **and**
- ☐ Your income is **lower in the year of the event and/or going forward** (not just temporarily). (Social Security)

Know Your "IRMAA MAGI" (simple definition)

For IRMAA, SSA defines **MAGI** as:

- **Adjusted Gross Income (AGI) + tax-exempt interest income.** (Social Security)

Practical tip: Your tax return is the fastest starting point. If you're estimating the current year, your estimate should match what you expect to report when you file. (Social Security)

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Step-by-Step: How to Request an IRMAA Reduction

Step 1: Find your IRMAA notice + identify the trigger

Locate the Social Security letter showing you have an IRMAA-related premium. Then identify which qualifying event applies and the month/year it occurred. (Social Security)

Step 2: Pick the right "income year" to report

SSA-44 lets you provide the more recent tax year that reflects your lower income—or an estimate if needed. The form includes guidance on whether to use "this year" vs. "last year," depending on when the reduction occurred and whether next year will be even lower. (Social Security)

Step 3: Complete Form SSA-44

This is SSA's primary form for a life-changing-event IRMAA request. (Social Security)

On the form, you'll:

- Select your life-changing event
- Provide the date it happened
- Provide **AGI + tax-exempt interest** (actual or estimated)
- Optionally provide a next-year estimate if income will drop further (Social Security)

Step 4: Gather documentation (proof of event + proof of income drop)

SSA expects evidence of:

1. **The life-changing event,** and
2. **The reduction in income** (Social Security Administration)

Common examples (use what fits your situation):

- Retirement/termination letter or employer statement (work stoppage/reduction)
- Divorce decree or death certificate
- Pension plan notice (loss of pension income)
- Insurance claims/police report or disaster documentation (loss of income-producing property)
- Settlement agreement / employer letter (employer settlement payment) (Social Security)

Step 5: Submit to Social Security (3 common routes)

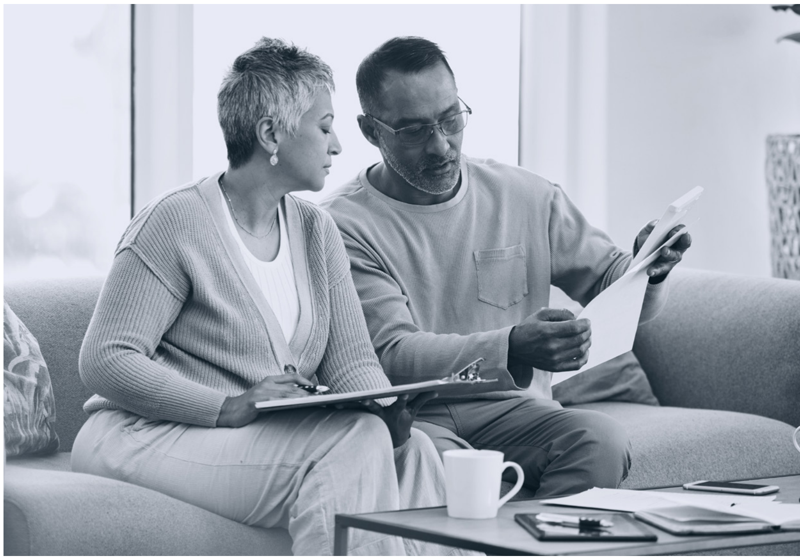
SSA currently describes these options: (Social Security)

- **Upload online:** Sign in and upload the completed SSA-44 and evidence
- **Fax or mail:** Send to your local Social Security office
- **Phone support:** Call SSA if you need help or want an appointment (SSA provides the main number on its IRMAA page) (Social Security)

If you filed an amended tax return: SSA instructs you to call and request the IRMAA reduction based on the amended return. (Social Security)

Step 6: What happens next (and why monitoring matters)

- Your current IRMAA generally stays in place until SSA makes a new determination. (Social Security Administration)
- If SSA makes a new determination **in your favor,** SSA policy notes that it can **retroactively refund the excess IRMAA amount paid.** (Social Security Administration)
- Keep copies of everything you send, and be ready to provide updated estimates if SSA asks follow-up questions. (Social Security)



2025 "Reality Check" Numbers (so you know what's at stake)

For **2025:**

- The **standard Medicare Part B premium** is **$185/month**. (Centers for Medicare & Medicaid Services)
- IRMAA for Part B begins when **2023 MAGI** is over **$106,000 (individual)** or **$212,000 (joint)**. (Centers for Medicare & Medicaid Services)
- The **Part B IRMAA surcharge amounts** range from **$74.00 to $443.90/month** (added to the standard premium, depending on income tier). (Centers for Medicare & Medicaid Services)
- Part D also has IRMAA adjustment amounts (paid in addition to your plan premium). (Centers for Medicare & Medicaid Services)

(Reminder: Medicare premiums and thresholds change by year.) (Centers for Medicare & Medicaid Services)

How IRMAA Fits Into Your Bigger Retirement Plan

Think of IRMAA as one lever in your overall strategy —especially in years where income is "lumpy." Coordinating can help reduce surprises:

- **Withdrawal sequencing** (taxable vs. IRA vs. Roth)
- **Roth conversion timing** (and managing bracket thresholds)
- **Capital gains planning**
- **Healthcare + cash-flow budgeting** around Medicare premiums (Centers for Medicare & Medicaid Services)

Bring This to Your Advisor (fastest way to get help)

1. Your IRMAA/Medicare premium notice
2. Date and type of life-changing event
3. Most recent tax return(s)
4. Current-year income estimate (AGI + tax-exempt interest)
5. Supporting documents (letters, statements, legal docs)

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Helpful Reminder

IRMAA reconsideration isn't guaranteed—but knowing the rules and submitting a clean, well-documented packet gives you the best chance of having Medicare premiums reflect your current financial reality. (Social Security)