The IRMAA Playbook

Managing Medicare's Hidden Surcharge

How a single dollar of income can raise your Medicare premiums by thousands — and how to see it coming.

Dana Gibson | The Roth Doctor™ | TaxMitigation.net

What IRMAA is — and why it blindsides people

IRMAA stands for the **Income-Related Monthly Adjustment Amount**. In plain English: if your income is above certain thresholds, Medicare charges you a surcharge on top of your standard Part B and Part D premiums. Higher-income retirees can pay two to three times what their neighbor pays for the exact same coverage.

What makes IRMAA so frustrating is *how* it catches people. Two features do the damage:

> **The two features that make IRMAA sting**
> • **It's a two-year lookback.** Your 2026 premiums are based on the income (MAGI) from your **2024** tax return. A one-time event two years ago — a Roth conversion, a home or business sale, a large withdrawal — can raise premiums today, for income you no longer have.
> • **It's a cliff, not a ramp.** Go **one dollar** over a threshold and you owe the *entire* surcharge for that tier — not a little more, the whole step. That single dollar can cost over a thousand dollars a year.

The 2026 IRMAA thresholds

Based on your **2024** MAGI (adjusted gross income plus tax-exempt interest). The standard 2026 Part B premium is **$202.90/month**; the figures below are the income lines where surcharges begin. Married-filing-jointly thresholds are shown; single filers are subject to roughly half these amounts.

2024 MAGI — Single	2024 MAGI — Married Filing Jointly	What applies
$109,000 or less	$218,000 or less	No surcharge — standard premium
Above $109,000	Above $218,000	Tier 1 surcharge begins
Rising tiers	Rising tiers	Surcharge increases at each tier
$500,000 or more	$750,000 or more	Top tier — highest surcharge

Thresholds are indexed to inflation and change annually; the surcharge dollar amounts change with Medicare's costs. Always confirm the current year's figures. The top bracket is not inflation-adjusted the way the lower ones are.

MOVE 1

Watch the two-year runway

Because IRMAA looks back two years, the income you realize *this* year sets your premiums two years out. That's actually good news: it means IRMAA is one of the most **predictable** surcharges in retirement. If you know a big income event is coming — or know your 2024 return was high — you can plan for the premium bump instead of being ambushed by the letter from Social Security.

> **Next step: look at the income on your last two tax returns and check it against the thresholds above. Surprises are avoidable when you look ahead.**

MOVE 2

Convert to Roth up to — never through — a tier line

Roth conversions are powerful, but a conversion that pushes your MAGI one dollar over an IRMAA threshold triggers the whole surcharge two years later. The skill is converting *up to* the top of your current tier without spilling into the next. Done right, you shrink future RMDs and future IRMAA exposure at the same time; done carelessly, a conversion creates the very surcharge you're trying to avoid.

> **Next step: any Roth conversion should be sized with the IRMAA lines in view, not just tax brackets. This is exactly the coordination we do.**

MOVE 3

Sequence withdrawals to keep MAGI lower

Blending withdrawals across taxable, tax-deferred, and Roth accounts keeps your reportable income lower than draining one type at a time. Roth withdrawals in particular don't count toward MAGI — so having Roth dollars available in retirement gives you a lever to stay under a threshold in a year when you're close.

> **Next step: building a Roth 'bucket' before Medicare age gives you flexibility to manage MAGI later. See withdrawal sequencing at TaxMitigation.net.**

MOVE 4

Appeal after a life-changing event

IRMAA is based on income from two years ago — but if your circumstances have changed since then, you may not have to pay what Social Security first calculates. Retirement, stopping work, loss of a pension, divorce, or the death of a spouse are all recognized 'life-changing events.' You can file **Form SSA-44** to ask Social Security to use your current, lower income instead.

> **Next step: if a major life event lowered your income since the lookback year, don't just pay the surcharge — file SSA-44 to appeal it.**

MOVE 5

Mind the widow's-penalty interaction

When one spouse passes, the survivor often keeps much of the household income but files as a single taxpayer — and the single IRMAA thresholds are roughly half the joint ones. That combination can push a surviving spouse into IRMAA surcharges they never faced as a couple, on top of higher income-tax brackets.

> **Next step: surviving-spouse tax planning should account for the IRMAA cliff, not just income taxes. Worth reviewing well before it's needed.**

The bottom line

IRMAA is one of the few retirement surprises that is almost entirely **predictable and plannable** — precisely because of its two-year lookback. The retirees who get caught are the ones who didn't know the thresholds existed. The ones who plan treat every large income decision — conversions, sales, withdrawals — with the IRMAA lines in view, and often step around the surcharge entirely.

Whether IRMAA affects you, and what to do about it, depends on your specific income and timing. That's a conversation worth having — and the next step costs nothing:

Schedule your complimentary retirement tax review

See where you stand against the IRMAA thresholds — before a conversion or sale sets your premiums two years out.

Book at: koalendar.com/e/call-with-dana-gibson

Dana Gibson is a Certified Financial Fiduciary® and founder of PRAIS Financial Management, LLC, known as The Roth Doctor™.