

What is IRMAA?

IRMAA is an acronym for Medicare's income-related monthly adjustment amount (IRMAA). This is a higher premium charged for Medicare Part B and Medicare Part D to individuals with higher incomes.

IRMAA is an increased premium that some Medicare beneficiaries pay based on their income.

How does IRMAA work?

IRMAA affects roughly 8% of people with Medicare, but those it does affect are often surprised or unclear about how it works. For the part of the population that does not pay the higher premium amounts, Medicare pays approximately 75% of the cost of the Medicare Part B premium. The beneficiary is left with approximately 25% of the premium.

IRMAA is charged to Medicare beneficiaries with an individual modified adjusted gross income of \$103,000 or more and \$206,000 or more for Medicare beneficiaries married and filing jointly. Those with these higher incomes pay a higher percentage of Medicare Part B costs – 35, 50, 65 or 80 percent – and this is based on where the beneficiary falls on Medicare's income-related monthly adjustment amount scale (chart below).

Likewise, beneficiaries with higher incomes will pay a higher Medicare Part D premium as well. This higher premium amount is applied regardless of which company you choose for your Medicare Part D plan. The IRMAA is applied on top of the premium that you would normally be paying for Part D.

Who Pays IRMAA and what does it cost?

Social Security uses the most recent tax return provided by the IRS. This means that the IRMAA determination ends up being based on a tax return from a couple of years ago. For example, the 2024 IRMAA determination is based on the 2022 tax return. The number used is the Modified Adjusted Gross Income (MAGI) and there is a sliding scale used. The sliding scale currently starts at \$103,000 for individual income and \$206,000 for married filing jointly income.

The following chart shows 2024 figures. The amount shown for Part B is inclusive of the standard 2024 Medicare Part B premium of \$174.70. The amount shown for Part D is charged separately by CMS in addition to what the Medicare beneficiary would pay for the underlying Medicare Part D plan:

Filing Individually	Married & Filing Jointly	2024 Part B Total Monthly Premiums	2024 Part D Monthly IRMAA Charge
< \$103,000	< \$206,000	\$174.70	\$0.00
\$103,000 - \$129,000	\$206,000 - \$258,000	\$244.60	\$12.90
\$129,000 - \$161,000	\$258,000 - \$322,000	\$349.40	\$33.30
\$161,000 - \$193,000	\$322,000 - \$386,000	\$454.20	\$53.80
\$193,000 - \$500,000	\$386,000 - \$750,000	\$559.00	\$74.20
> \$500,000	> \$750,000	\$594.00	\$81.00

IRMAA premiums are automatically deducted from your social security check or billed to you by CMS quarterly.

Can I Appeal IRMAA or request an adjustment?

You do have rights if you don't believe you should be subject to IRMAA Medicare amounts or wish to appeal the decision. Social Security may approve an adjustment to your IRMAA charge if you recently experienced a life-changing event that impacts your income. Some instances that may lead to this are:

- ❖ Marriage
- ❖ Divorce
- ❖ Death of a spouse
- ❖ Retirement/work stoppage
- ❖ Work reduction
- ❖ Loss of income-producing property
- ❖ Loss of pension income
- ❖ Employer settlement payment

We usually recommend that Electric Boat employees retiring after age 65 review and inquire about this process since their income is typically impacted by their retirement.

If you feel that one of these situations applies to you, you should contact Social Security to request an IRMAA redetermination. You will need to have appropriate documentation on whichever situation applies to you. There is no guarantee that Social Security will reverse your higher-premium determination, but it is certainly worth a try if one of these situations does apply to you.

To request a redetermination of your IRMAA charges due to a life changing event, you can access the necessary form at <https://www.ssa.gov/forms/ssa-44.pdf>.

For additional frequently asked questions, go to <https://www.ssa.gov/pubs/EN-05-10507.pdf>.