

What Are Medicare Part D IRMAA and Part B IRMAA?

Summary: The Affordable Care Act brought a lot of changes to the Medicare program, including a new Part D premium adjustment for people who reported higher incomes on their tax returns. The income-related monthly adjustment amount, or IRMAA, now applies to both your Part B and Part D premiums. If you fall into a higher income bracket, here's what you need to know about IRMAA Part D and the Medicare IRMAA for Part B.

What is IRMAA?

The income-related monthly adjustment amount, or IRMAA, is a surcharge that high-income people may pay in addition to their Medicare Part B and Part D premiums. The Medicare IRMAA for Part B went into effect in 2007, while the IRMAA for Part D was implemented as part of the Affordable Care Act in 2011. IRMAA payments go directly to Medicare, even if you pay monthly premiums to an insurance company for Medicare Advantage or Part D prescription drug coverage.

The Social Security Administration (SSA) makes the determination about whether or not you're subject to IRMAA based on the income you reported in your tax return two years ago. For example, in 2020, the SSA looks at the 2018 income data you filed with your tax return.

Unlike late enrollment penalties, which can last as long as you have Medicare coverage, IRMAA is calculated every year. You may have to pay the adjustment one year, but not the next if your income falls below the threshold.

What are the income brackets for IRMAA Part D and Part B?

Higher-income people will pay slightly less in 2020 than in the previous two years. The income brackets for both IRMAA for Medicare Part B and Medicare Part D are the same in 2020:

Single	Married Filing Jointly	Married Filing Separately	Part B Premium	Part D IRMAA
\$87,000 or less	\$174,000 or less	\$87,000 or less	\$144.60	\$0 + your plan premium
\$87,001 to \$109,000	\$174,001 to \$218,000	N/A	\$202.40	\$12.20 + your plan premium
\$109,001 to \$136,000	\$218,001 to \$272,000	N/A	\$289.20	\$31.50 + your plan premium
\$136,001 to \$163,000	\$272,001 to \$326,000	N/A	\$376.00	\$50.70 + your plan premium
\$163,001 and under \$500,000	\$326,001 and under \$750,000	\$87,001 and under \$413,000	\$462.70	\$70.00 + your plan premium
\$500,000 or above	\$750,000 and above	\$413,000 and above	\$491.60	\$76.40 + your plan premium

How do I pay my IRMAA Part D and the Medicare IRMAA for Part B?

Your Part B IRMAA is added to your Part B premium automatically; the amount will be reflected in your monthly premium bill. Most people have their premiums automatically deducted from their Social Security or Railroad Retirement Board benefits each month. If you are not currently receiving retirement benefits each month, you can pay your bill online through your bank or financial institution, sign up for Medicare Easy Pay and have your payments automatically deducted from your checking or savings account, or mail your payment to Medicare each month.

IRMAA Part D payments are paid separately to Medicare, and you must pay them even if your employer or another third party (such as retirement system) pays your Part D plan premiums. You'll get a Medicare Premium Bill each month for your Part D IRMAA and you can pay it in the same way you pay your Part B premiums. You do not pay it to your prescription drug plan.

Keep in mind that Medicare treats IRMAA payments the same as other premium bills, which means that if you don't make your payments on time each month, you could lose your coverage.

What can I do if I don't want to pay IRMAA?

The Social Security Administration can make a determination if you must pay IRMAA at any time after you apply for Medicare benefits. If you receive a notice from the SSA that you owe IRMAA, and you disagree with the finding, you can file an appeal with the Social Security Administration using [this form](#). You can also file this form if you experience a life-changing event that has significantly impacted your income for the year.