



CARDINAL ADVISORS

2026 Medicare IRMAA Tax & What To Do

Utilizing the following documents Hans and Tom discuss Medicare in the video titled “2026 Medicare IRMAA Tax & What To Do”.

S.S.		2026 MEDICARE IRMAA TAX & WHAT TO DO				INCOME	
MED		WITH MAGI OF:	PART B IRMAA	PART D IRMAA	- APPEAL IRMAA SSA-44		
SINGLE		109,000.01 - 137,000.00	81.20	14.50	MARRIAGE, DIVORCE, DEATH, WORK STOPPAGE,		
		137,000.01 - 171,000.00	202.90	37.50	WORK REDUCTION, LOSS INCOME-PRODUCING PROPERTY,		
		171,000.01 - 205,000.00	324.60	60.40	LOSS OF PENSION, EMPLOYER SETTLEMENT(BANKRUPTCY)		
		205,000.01 - 499,999.99	446.30	83.30			
		MORE THAN 499,999.99	487.00	91.00			
LTC		MARRIED, FILING JOINTLY	218,000.01 - 274,000.00	81.20	14.50	- PLANNING CONSIDERATIONS	ESTATE
			274,000.01 - 342,000.00	202.90	37.50	1.) 2 YEAR LOOK BACK- 2026 → 2028	
			342,000.01 - 410,000.00	324.60	60.40	2.) RMD EFFECT 73/75 + BEYOND	
			410,000.01 - 749,999.99	446.30	83.30	- ADDRESS RMD'S BEFOREHAND	
			MORE THAN 749,999.99	487.00	91.00	- WIDOWS PENALTY	
IRA/ 401K		MARRIED, FILING SEPARATELY	109,000.01 - 390,999.99	446.30	83.30	3.) ROTH INCOME TAX FREE	
			MORE THAN 390,999.99	487.00	91.00	- ROTH ANNUITY-TAX FREE FOR LIFE	
					- LIFE INSURANCE-TAX FREE		
					4.) ROTH CONVERSION CAUSES IRMAA FOR 1 YEAR		
					5.) QUALIFIED CHARITABLE DISTRIBUTIONS(QCD)		
					6.) SALE OF HOME FOR A HIGH VALUE		
		202.90 = STANDARD PART B PREMIUM					TAXES
		34.50 = AVERAGE STAND-ALONE PART D					
		EXAMPLE - MAN 67/68 LADY 66/67 2024 MAGI = 615,014 446.30 + 83.30 + 202.90 + 34.50 767 TOTAL + 140 (PLAN G) = 907 907 x 2 = 1814 HEALTH INS.			EXAMPLE - RETIRED IN 2025 - APPEAL-PROJECT 2026 INCOME LESS THAN 218,000, IRMAA GOES AWAY		

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Feb. 2026

2026 Medicare Income Planning

Part B and D Charges

The Medicare health care system is largely government funded, but individuals pay premiums to participate in two portions of it.

Medicare charges premiums to participants in Medicare Part B, covering doctor visits, and Part D, the prescription drug benefit. In 2026, the basic premium for Part B is \$202.90 per month. The premium for Part D varies by plan.

The standard premiums for these are increased by surcharges imposed on upper-income individuals, those with **Modified Adjusted Gross Income (MAGI)** exceeding \$109,000 on an individual return or \$218,000 on a joint return.

In 2026, the largest premium surcharges apply to persons with MAGI of \$500,000 or over on a single return or \$750,000 or over filing jointly.

The extra amount that higher-income individuals must pay is called an **Income Related Monthly Adjustment Amount (IRMAA)**. The first five IRMAA tiers for Medicare premium surcharges are adjusted for inflation each year. This could result in reduced Medicare premiums for some. The IRMAA tier for individuals earning \$500,000 or more (or married couples with MAGI of \$750,000 or more) will not be adjusted until 2028.

Combination Chart - Parts B and D

2026 IRMAA MONTHLY SURCHARGES FOR MEDICARE PART B AND PART D (Based on 2024 MAGI)

Filing Single	Married filing joint	IRMAA Surcharge Part B	Total Premium Part B	IRMAA Surcharge Part D	Total of surcharges Part B & D
\$109,000 or less	\$218,000 or less	\$0.00	\$202.90	\$0.00	\$0.00
Over \$109,000 to \$137,000	Over \$218,000 to \$274,000	\$81.20	\$284.10	\$14.50	\$95.70
Over \$137,000 to \$171,000	Over \$274,000 to \$342,000	\$202.90	\$405.80	\$37.50	\$240.40
Over \$171,000 to \$205,000	Over \$342,000 to \$410,000	\$324.60	\$527.50	\$60.40	\$385.00
Over \$205,000 to less than \$500,000	Over \$410,000 to less than \$750,000	\$446.30	\$649.20	\$83.30	\$529.60
\$500,000 and above	\$750,000 and above	\$487.00	\$689.90	\$91.00	\$578.00

IRMAA surcharges apply on a "cliff" basis. Reaching the first dollar of an IRMAA income level causes the full corresponding surcharge to apply to all premiums paid for the year.

Example:

If Bob has MAGI of as much as \$109,000 on his single return, he'll owe no surcharge. But if his income reaches \$109,001, then a monthly surcharge of \$81.20 for Part B plus \$14.50 for Part D, or \$95.70 total, will apply for all 12 months of the year. Bob's \$1 of additional income increases premium cost by \$1,148.40 for the year.

Medicare Planning Points

Medicare premium surcharges are imposed on individuals with MAGI over \$109,000 on a single tax return or \$218,000 on a joint return.

2-Year Lookback

For IRMAA purposes, MAGI is defined as Adjusted Gross Income (AGI) plus tax-exempt interest and untaxed foreign income. Medicare uses the MAGI reported on the federal tax return from two years ago. For example, to determine whether someone will pay higher premiums for 2026, Medicare uses **2024 MAGI**.

Similarly, the tax return filed for **2026** will be used to calculate IRMAA surcharges for the year **2028**.

RMD Effect

Address required minimum distribution (RMD) requirements well in advance of the required beginning date, explaining how RMDs are included in income for Medicare Part B and Part D costs two years down the road. RMDs are not required from Roth IRAs during the Roth IRA owner's lifetime.

Don't forget that this includes older beneficiaries who are also subject to RMDs on IRAs they have inherited.

Income Reduction Strategies

The key to reducing Medicare surcharges is to reduce MAGI. Items like itemized deductions won't do that. They only reduce **taxable** income.

Check the tax return during the year to see if reported MAGI is near one of the threshold amounts. If income is close enough, plan to realize income and deductions to keep MAGI below the nearest threshold.

Roth Conversions

A Roth IRA conversion can be useful in minimizing future IRMAA surcharges as distributions from the Roth IRA can be tax free, reducing MAGI.

To avoid a current income spike from a Roth conversion, consider making a series of partial conversions over a number of years to avoid pushing income into higher tax brackets. This is a strategy that requires long-term advance planning.

For those in early retirement, consider the benefit of converting before the conversion income would impact Medicare costs.

Converting later may still be an effective strategy. A Roth conversion would negatively affect MAGI for Medicare purposes, but only for one year. It may make sense to take the hit in one year in exchange for no RMD concerns in future years.

HSAs (Health Savings Accounts)

Younger people may want to consider funding a Health Savings Account (HSA) rather than an IRA if they have a choice. They can make deductible HSA contributions in their working years, use other funds to pay medical expenses, and then they can access their HSA tax- and penalty-free to pay for qualified medical expenses in retirement. These distributions would not be included in MAGI for Medicare purposes the way RMDs and other traditional IRA distributions are.

QCDs (Qualified Charitable Distributions)

As a result of the tax law's increased standard deduction amounts, many are no longer deducting charitable contributions. QCDs can help restore charitable tax benefits by having those QCDs excluded from income. The exclusion from income will help to avoid Medicare premium increases.

With a QCD, an IRA owner (or beneficiary) who is age 70½ or over can transfer up to \$111,000 (for 2026) annually from their IRA to a charity tax-free.

A QCD can count towards the RMD and is not included in MAGI for determining Medicare costs. Keeping the RMD amount out of MAGI can result in big savings. This is not the case if an IRA owner takes their RMD and then donates to charity and claims a charitable deduction (if they can at all). With that approach, the RMD would still be included in MAGI.

For those taking RMDs, consider how a QCD could help to save on Medicare costs.

Other strategies that can be used to manage MAGI to minimize Medicare surcharges include:

- Timing investment gains and other income by accelerating them onto a tax return for a year before IRMAA calculations occur or deferring them to a year when income is expected to be lower and there may be offsetting losses.
- Obtaining spending funds from tax-free sources. For instance, one may borrow against a life insurance policy rather than take a taxable distribution from a retirement plan or use tax-free proceeds from the sale of a principal residence (as much as \$250,000, or \$500,000 on a joint return).
- Using a home equity conversion mortgage (HECM - reverse mortgage line of credit) to provide a source of tax-free funds with no corresponding mortgage payment expense, to keep income below the Medicare surcharge threshold amounts.

When Income Falls

If there has been a major life-changing event that results in a large reduction in MAGI, an individual may request to use their MAGI for a more recent year. If an individual disagrees with the decision about their Medicare costs, they have the right to appeal.

Do this by submitting Form SSA-44, "Medicare Income-Related Monthly Adjustment Amount - Life-Changing Event," to the Social Security Administration.

The end of employment is a qualifying "life-changing event" that should be considered for every client who retires at age 65 or later. If an IRMAA surcharge will result from high salary income reported on a return filed two years earlier, but that salary no longer exists, relief from the surcharge may be readily available.

Medicare Income-Related Monthly Adjustment Amount - Life-Changing Event

If you had a major life-changing event and your income has gone down, you may use this form to request a reduction in your income-related monthly adjustment amount.

See page 5 for detailed information and line-by-line instructions. If you prefer to schedule an interview with your local Social Security office, call 1-800-772-1213 (TTY 1-800-325-0778).

Name	Social Security Number

You may use this form if you received a notice that your monthly Medicare Part B (medical insurance) or prescription drug coverage premiums include an income-related monthly adjustment amount (IRMAA) and you experienced a life-changing event that may reduce your IRMAA. To decide your IRMAA, we asked the Internal Revenue Service (IRS) about your adjusted gross income plus certain tax-exempt income which we call "modified adjusted gross income" or MAGI from the Federal income tax return you filed for tax year 2024. If that was not available, we asked for your tax return information for 2023. We took this information and used the table below to decide your income-related monthly adjustment amount.

The table below shows the income-related monthly adjustment amounts for Medicare premiums based on your tax filing status and income. If your MAGI was lower than \$109,000.01 (or lower than \$218,000.01 if you filed your taxes with the filing status of married, filing jointly) in your most recent filed tax return, you do not have to pay any income-related monthly adjustment amount. If you do not have to pay an income-related monthly adjustment amount, you should not fill out this form even if you experienced a life-changing event.

<i>If you filed your taxes as:</i>	<i>And your MAGI was:</i>	<i>Your Part B monthly adjustment is:</i>	<i>Your prescription drug coverage monthly adjustment is:</i>
-Single, -Head of household, -Qualifying widow(er) with dependent child, or -Married filing separately (and you did not live with your spouse in tax year)*	\$109,000.01 - \$137,000.00 \$137,000.01 - \$171,000.00 \$171,000.01 - \$205,000.00 \$205,000.01 - \$499,999.99 More than \$499,999.99	\$81.20 \$202.90 \$324.60 \$446.30 \$487.00	\$14.50 \$37.50 \$60.40 \$83.30 \$91.00
-Married, filing jointly	\$218,000.01 - \$274,000.00 \$274,000.01 - \$342,000.00 \$342,000.01 - \$410,000.00 \$410,000.01 - \$749,999.99 More than \$749,999.99	\$81.20 \$202.90 \$324.60 \$446.30 \$487.00	\$14.50 \$37.50 \$60.40 \$83.30 \$91.00
-Married, filing separately (and you lived with your spouse during part of that tax year)*	\$109,000.01 - \$390,999.99 More than \$390,999.99	\$446.30 \$487.00	\$83.30 \$91.00

* Let us know if your tax filing status for the tax year was Married, filing separately, but you lived apart from your spouse at all times during that tax year.

STEP 1: Type of Life-Changing Event

Check any life-changing event and fill in the date(s) that the events occurred (mm/yyyy).

<input type="checkbox"/> Marriage	<input type="checkbox"/> Work Reduction
<input type="checkbox"/> Divorce/Annulment	<input type="checkbox"/> Loss of Income-Producing Property
<input type="checkbox"/> Death of Your Spouse	<input type="checkbox"/> Loss of Pension Income
<input type="checkbox"/> Work Stoppage	<input type="checkbox"/> Employer Settlement Payment

Date(s) of life-changing event: _____

(mm/yyyy)

If you have had or anticipate having a life-changing event, you can report to us an income reduction that has *already* occurred or an income reduction that you anticipate occurring this or next year. Use Step 2 to report reductions that have already occurred, and Step 3 to report reductions you are anticipating occurring. Additional instructions available on page 6).

STEP 2: Reductions in Income that have Already Occurred

If your income has already been reduced by the life-changing event (see instructions on page 6), the amount of your adjusted gross income (AGI, as used on line 11 of IRS form 1040) and tax-exempt interest income (as used on line 2a of IRS form 1040), and your tax filing status.

Tax Year	Adjusted Gross Income	Tax-Exempt Interest
20____	\$ _____	\$ _____

Tax Filing Status for this Tax Year (choose ONE):

<input type="checkbox"/> Single	<input type="checkbox"/> Head of Household	<input type="checkbox"/> Qualifying Widow(er) with Dependent Child
<input type="checkbox"/> Married, Filing Jointly	<input type="checkbox"/> Married, Filing Separately	

STEP 3: Anticipated Reductions in Modified Adjusted Gross Income Next Year

Will your modified adjusted gross income be lower next year than the year in Step 2?

<input type="checkbox"/> No - Skip to STEP 4
<input type="checkbox"/> Yes - Complete the blocks below for next year

Tax Year	Estimated Adjusted Gross Income	Estimated Tax-Exempt Interest
20____	\$ _____	\$ _____

Expected Tax Filing Status for this Tax Year (choose ONE):

<input type="checkbox"/> Single	<input type="checkbox"/> Head of Household	<input type="checkbox"/> Qualifying Widow(er) with Dependent Child
<input type="checkbox"/> Married, Filing Jointly	<input type="checkbox"/> Married, Filing Separately	

STEP 4: Documentation

Provide evidence of your modified adjusted gross income (MAGI) and your life-changing event. You can either:

1. Attach the required evidence and we will mail your original documents or certified copies back to you;

OR

2. Show your original documents or certified copies of evidence of your life-changing event and modified adjusted gross income to an SSA employee.

Note: You must sign in Step 5 and attach all required evidence. Make sure that you provide your current address and a phone number so that we can contact you if we have any questions about your request.

STEP 5: Signature

PLEASE READ THE FOLLOWING INFORMATION CAREFULLY BEFORE SIGNING THIS FORM.

I understand that the Social Security Administration (SSA) will check my statements with records from the Internal Revenue Service to make sure the determination is correct.

I declare under penalty of perjury that I have examined the information on this form and it is true and correct to the best of my knowledge.

I understand that signing this form does not constitute a request for SSA to use more recent tax year information unless it is accompanied by:

- Evidence that I have had the life-changing event indicated on this form;
- A copy of my Federal tax return; or
- Other evidence of the more recent tax year's modified adjusted gross income

Signature	Phone Number	
Mailing Address	Apartment Number	
City	State	ZIP Code

Social Security Administration

Important Information

Date: November 26, 2025

The Social Security Act requires some people to pay higher premiums for their Medicare Part B (Medical Insurance) and Part D (Prescription Drug Plan) based on their income. We use information the Internal Revenue Service (IRS) provides us to decide if you will need to pay these higher premiums. Based on your income, you are required to pay these higher premiums for 2026, which are called the Income-Related Monthly Adjustment Amounts (IRMAA). The IRMAA information in this letter is for one year only.

If you currently do not have Medicare Part B or Part D and enroll in 2026, those premiums will also increase based on your income.

If you have Medicare Part B, the total 2026 premium includes:

- \$202.90 for the standard Medicare premium, plus
- any surcharges you may owe for late enrollment, plus
- \$446.30 for the Medicare Part B IRMAA based on your 2024 income tax return

Your Medicare Part D IRMAA based on your 2024 income tax return is: - \$83.30

How We Figured Your IRMAA

IRMAA are based on your 2024 income tax return. The IRS told us that for tax year 2024 you filed your taxes as married, filing jointly. You had an adjusted gross income of \$615,014.00 plus \$0.00 in tax-exempt interest income. We added these amounts together to get your Modified Adjusted Gross Income (MAGI) of \$615,014.00.

We used the following table to decide IRMAA for the Medicare Part B and Part D premiums:

If you filed as:	With MAGI of:	Part B IRMAA is:	Part D IRMAA is:
Single, Head of Household or Qualifying Surviving Spouse	\$109,000.01 - \$137,000.00 \$137,000.01 - \$171,000.00 \$171,000.01 - \$205,000.00 \$205,000.01 - \$499,999.99 More than \$499,999.99	\$81.20 \$202.90 \$324.60 \$446.30 \$487.00	\$14.50 \$37.50 \$60.40 \$83.30 \$91.00
Married, Filing Jointly	\$218,000.01 - \$274,000.00 \$274,000.01 - \$342,000.00 \$342,000.01 - \$410,000.00 \$410,000.01 - \$749,999.99 More than \$749,999.99	\$81.20 \$202.90 \$324.60 \$446.30 \$487.00	\$14.50 \$37.50 \$60.40 \$83.30 \$91.00
Married, Filing Separately (If you lived apart throughout 2024, see below about Some Special Situations)	\$109,000.01 - \$390,999.99 More than \$390,999.99	\$446.30 \$487.00	\$83.30 \$91.00

These IRMAA are effective for 2026 only. Next year when we receive updated information from the IRS, we will make a new decision about any IRMAA owed.

Some Special Situations That May Apply To You

If your tax filing status was married, filing separately, and you lived apart from your spouse throughout the tax year, please call us about your living arrangement. It could lower your IRMAA. Please contact your Social Security office if you have any questions. You will need to bring a copy of the most recent income tax return you filed with IRS.

If Your Income Has Gone Down

In some situations, we can make a new decision about your IRMAA. Contact us to request a new decision if your MAGI has gone down at least one range in the table above or has gone below the lowest amounts in the table since the 2024 tax year, AND the decrease in MAGI was caused by any of the following life-changing events:

- You married.
- You divorced or your marriage was annulled.
- You became a surviving spouse.
- You or your spouse stopped working or reduced work hours.
- You or your spouse lost income from income-producing property due to a disaster or other event beyond your control.
- You or your spouse experienced a scheduled cessation, termination, or reorganization of an employer's pension plan.
- You or your spouse received a settlement from an employer or former employer because of the employer's closure, bankruptcy, or reorganization.

We will use the new lower MAGI to see if we can make a new decision about your IRMAA. We cannot make a new decision if your income has changed for a reason other than those listed above, such as receiving one-time income from capital gains.

You will need to submit proof of the event listed above that caused your income to go down (such as a death certificate, a letter from your pension fund administrator, or a letter from your employer about your retirement). If you filed an amended or corrected tax return for the year you want changed, you will also need to submit a copy of the tax return with proof the IRS has received it.

If your MAGI goes down at any time during January through September, you will need to tell us before the end of that year so we can correct your IRMAA in that year. However, if the event that makes your MAGI go down does not occur until October 1 or later in that year, we can correct your IRMAA for that year if you tell us before the end of March of the following year.

If You Disagree With Our Decision

If you disagree with our decision about your IRMAA, you have the right to:

- Request a new decision if your income goes down due to any of the life-changing events listed above, or
- Request a new decision using more recent tax information if you have amended or corrected tax information for 2024, or if we used tax information for 2023.

If you qualify for a new decision on your IRMAA, we will make a new decision using your tax information. If we make a new decision, you will be able to file an appeal on the new decision. If you experienced a life-changing event, you can request a new decision by going to www.ssa.gov/forms/ssa-44.pdf to complete an SSA-44.

If You Want To Appeal This Decision

If you disagree with this decision about your IRMAA, you have the right to appeal. We will review the decision we made to verify that it is correct. A person who did not make the first decision will decide your case.

If you do appeal, we may start withholding your increased premiums before we make our decision on your appeal. If we change our decision about your IRMAA, we will correct the amounts and refund any incorrectly withheld premiums.

We based the IRMAA for your Medicare Part B and Part D premiums on information we received from the IRS. If you request an appeal because you believe that the IRS information is incorrect, we will give you information on how you can contact the IRS to obtain evidence to support your request for a new decision. If you request an appeal because we included amounts for your Part D premium and you do not have Medicare Part D coverage, you need to contact the Centers for Medicare & Medicaid Services (CMS) at **1-800-MEDICARE (1-800-633-4227; TTY 1-877-486-2048)**. CMS is the only agency that can correct the information about your Part D coverage.

- You have 60 days to file for an appeal.
- The 60 days start the day after you get this letter. We will assume you got this letter 5 days after the date of the letter, unless you show us that you did not get it within the 5-day period.
- You must have good reason for waiting more than 60 days to file an appeal.
- You must file your appeal in writing. You can go to www.ssa.gov/non-medical/appeal to complete and submit the "Request for Reconsideration" form, SSA-561-U2 online. You may also contact us by phone

to request the form or go to our website at www.ssa.gov/forms to locate the form. If you need help with the form, please call us.

If You Want Help With Your Appeal

You may choose to have a representative help you. We will work with this person just as we would work with you. If you decide to have a representative, you should find one quickly so that person can start preparing your case.

Many representatives charge a fee only if you receive benefits. Others may represent you for free. Usually, your representative may not charge a fee unless we approve it. Your local Social Security office can give you a list of groups that can help you find a representative.

If you get a representative, you or that person must notify us in writing. You may use our Form SSA-1696 "Appointment of Representative". Any local Social Security office can give you this form.

Information About Your Medicare Coverage

You can choose how you get your Medicare coverage – Original Medicare and Medicare Advantage. Visit www.medicare.gov for more information.

my Social Security Online Services

Your personal ***my Social Security*** account gives you immediate access to important information and tools, putting you in control of your time. If you have an account, you can check your benefits, change your address or telephone number, start or change direct deposit, get a replacement Medicare card, and get a benefit verification letter. You can also choose to opt out of mailed notices for those available online. Please visit www.ssa.gov/myaccount to sign in or create your account.

Suspect Social Security Fraud?

If you suspect Social Security fraud, please visit <https://oig.ssa.gov/report> or call the Inspector General's Fraud Hotline at **1-800-269-0271** (TTY 1-866-501-2101).

Help Prevent Identity Theft

Be aware of scams through the mail, internet, telephone, or in person. You should be careful when someone asks for personal information, like your Social Security number. Please visit www.usa.gov/identity-theft to find out more.

Other Help For Older Adults And People With Disabilities

The Administration for Community Living offers older adults and people with disabilities a way to connect to a variety of community services and resources.

For Older Adults: Eldercare Locator at **1-800-677-1116** or eldercare.acl.gov

For People with Disabilities: Disability Information and Access Locator (DIAL) dial.acl.gov

If You Have Questions

For general information about Social Security, please contact us. If you have questions about your Medicare Part B premium, please contact Medicare.

For information about Medicare, visit www.medicare.gov or call toll-free **1-800-MEDICARE(1-800-633-4227)**. If you are deaf or hard of hearing, you can call the Medicare TTY number toll-free at **1-877-486-2048**.

Social Security Administration