

How can I fight a huge Medicare Premium Increase?

Why your Medicare premium might jump unexpectedly and what you can do about it

Question: I find myself in a very bad tax/Social Security/Medicare loop that I am sure many other seniors are in as well. First, I sold my house and had to pay \$50,000 in federal taxes. Now, I have to pay \$900 a month for Medicare because I showed a high income for the year I sold the house. The "profit" went to settle my divorce, pay the tax bill and make a down payment on my next house. There's no extra money.

But as a result of my Medicare premiums going up, I will either have to find a job — which is hard for seniors — or withdraw more from my retirement funds so I can pay my mortgage. Higher withdrawals will mean a higher income, higher taxes and higher Medicare premiums. This cycle will never end!

Answer: What you're paying is called an income-related monthly adjustment amount or IRMAA. These adjustments, which are based on your income two years previously, can significantly raise premiums for Medicare's Part B, which covers doctors' visits, and Part D, which covers prescriptions.

The normal monthly Part B premium in 2022 was \$170.10, for example, but IRMAA can boost that premium up to \$578.30 for the highest-income recipients. IRMAA added \$12.40 to \$77.90 to monthly Part D premiums in 2022.

If your premiums are \$900 as a single person, you're likely also paying for a supplemental or Medigap plan that covers deductibles and co-pays. You may also be paying a premium penalty if you started Medicare late.

There is a potential way out, however. Social Security, which is the agency that handles Medicare premiums, will reconsider an adjustment if you've experienced certain "life changing events" that lead to an income decrease.

Divorce and annulment are among the life changes the agency will consider. Others include the death of a spouse, marriage, you or a spouse stopping work or reducing hours, the loss of a pension, involuntary loss of income-producing property due to a natural disaster, disease, fraud or other circumstances, or receipt of settlement payment from a current or former employer due to the employer's closure or bankruptcy.

Social Security should have sent you a notice alerting you to the change in your premiums before it went into effect. That document included instructions about how to request a review. You also can call the agency's toll-free number at (800) 772-1213.

*Source: <https://asklizweston.com/qawithliz/medicare/>