SINGH PWM GUIDE

The Multi-Tier IRMAA Bracket Matrix

Five Tiers, One Two-Year Lookback, and the Appeal Most Retirees Don't Know Exists

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Get the fillable worksheet and be notified when the 2027 numbers publish: singhpwm.com/guides/irmaa-bracket-matrix

What this guide answers

IRMAA, the Income-Related Monthly Adjustment Amount, is not a gradual increase in your Medicare premium. It is a cliff: cross a threshold by one dollar and you pay the entire next tier's surcharge, for both spouses, for the full year. It is also delayed: the premium you pay in 2026 is based on your 2024 tax return, a two-year lookback that means a decision you made two years ago is showing up on your Medicare bill right now, whether or not you remember making it. This guide covers the full five-tier matrix for 2026, exactly how the lookback works, the tier-cliff math that makes a single extra dollar of income expensive, and the appeal process most retirees never learn exists.

> **IN SHORT**
>
> - IRMAA is a cliff, not a phase-in. One dollar over a threshold costs the entire tier's surcharge, not a prorated amount.
> - Your 2026 premium is based on your 2024 income. A large one-time income event two years ago can be hitting your Medicare bill today.
> - Form SSA-44 lets you appeal using a more recent year's income if one of eight specific life-changing events applies, most retirees never file it.

Contents

1. The Decision in Front of You

> Every dollar of Modified Adjusted Gross Income you and your spouse report matters twice: once for your tax bracket, and again, two years later, for your Medicare premium. Most retirees plan carefully around the first and never model the second, then discover the surcharge on a Social Security statement they cannot undo the year it hits. This guide is for anyone on Medicare, or within two years of it, managing Roth conversions, capital gains, or any other income event large enough to move MAGI meaningfully.

5 tiers

The number of IRMAA surcharge tiers above the standard premium in 2026, each a hard cliff, not a gradual increase

2 years

The lookback: your 2026 Medicare premium is based on your 2024 tax return's MAGI

8 events

The specific life-changing events that qualify for a Form SSA-44 appeal to use a more recent year's income instead

None of this is optional once you are on Medicare, but almost all of it is plannable if you know the mechanics two years in advance. The goal of this guide is not to help you avoid IRMAA forever, for some households a tier or two is simply the cost of a healthy portfolio, it is to make sure you only pay it when it is actually worth it.

THIS IS WRONG FOR YOU IF

You are more than two years from Medicare eligibility and have no large one-time income event planned, in which case the lookback mechanics in this guide are not yet relevant to you, though the bracket figures are worth bookmarking. It is also less urgent if your income is comfortably below the first tier every year with no plans to change that.

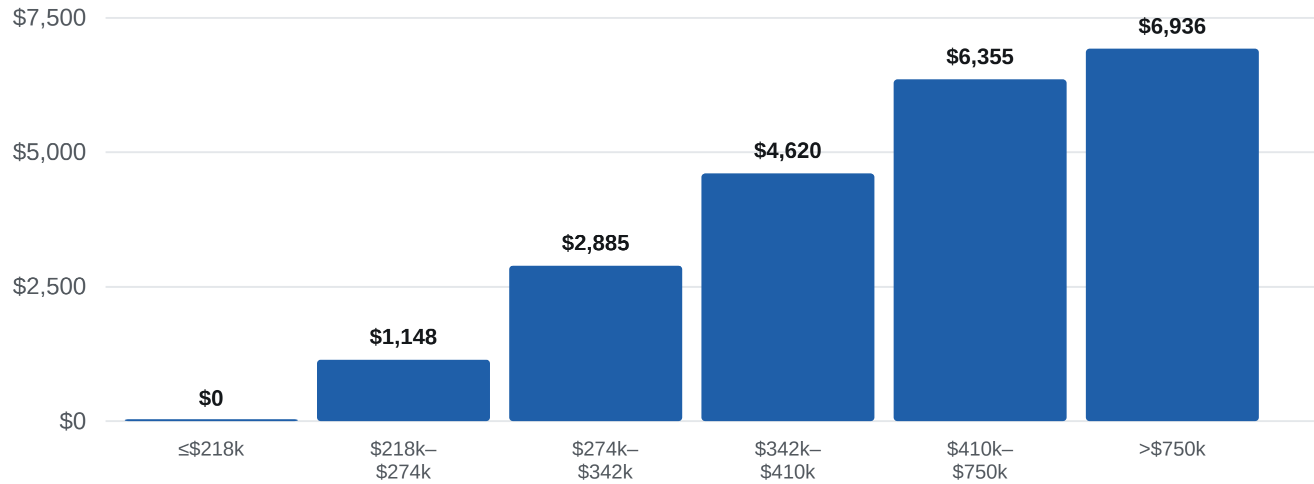
Not sure which tier you're actually in, or heading toward?

The matrix below is generic. Your actual MAGI, two years back and two years forward, is not.

Schedule a Strategic Fit Interview

Each IRMAA tier is a step, not a slope. Crossing into a tier by even one dollar costs the entire tier's surcharge for the full year.

Figure 1. The full 2026 IRMAA staircase, combined Part B and Part D surcharge per person, per year (MFJ).



2026 combined Part B and Part D IRMAA surcharge, per person, per year, at each MAGI tier for married filing jointly (2024 MAGI, per the two-year lookback). Single-filer thresholds are roughly half of each MFJ threshold; the surcharge dollar amounts are identical.

Source: CMS 2026 Medicare cost announcement. Retrieved September 16, 2026.

2024 MAGI (MFJ)	2024 MAGI (single)	Combined annual surcharge, per person
≤$218,000	≤$109,000	$0
$218,001–$274,000	$109,001–$137,000	$1,148.40
$274,001–$342,000	$137,001–$171,000	$2,884.80
$342,001–$410,000	$171,001–$205,000	$4,620.00
$410,001–$750,000	$205,001–$500,000	$6,355.20
>$750,000	>$500,000	$6,936.00

2. How the Matrix Actually Works

> Three mechanics drive every IRMAA surprise: what counts as income, how far back the IRS looks, and how the cliff structure actually applies once you cross a line.

What counts: Modified Adjusted Gross Income

IRMAA uses MAGI, not taxable income: your AGI plus tax-exempt interest. Roth conversions, capital gains, RMDs, and even municipal bond interest all count, even income you never actually see taxed at your marginal rate adds to the figure IRMAA cares about. This is why a large Roth conversion, entirely rational from a lifetime-tax-planning perspective, can still trigger a Medicare surcharge two years later.

The two-year lookback

Your 2026 Medicare premium is based on the MAGI reported on your 2024 tax return, not your 2025 or 2026 income. This delay is a feature, not a bug, for planning purposes: you know your 2024 numbers with certainty well before 2026 begins, which means every IRMAA tier for 2026 was knowable in advance. It also means a large 2024 income event cannot be undone once 2026 arrives, only appealed under specific circumstances, covered in Section 6.

The cliff, not a phase-in

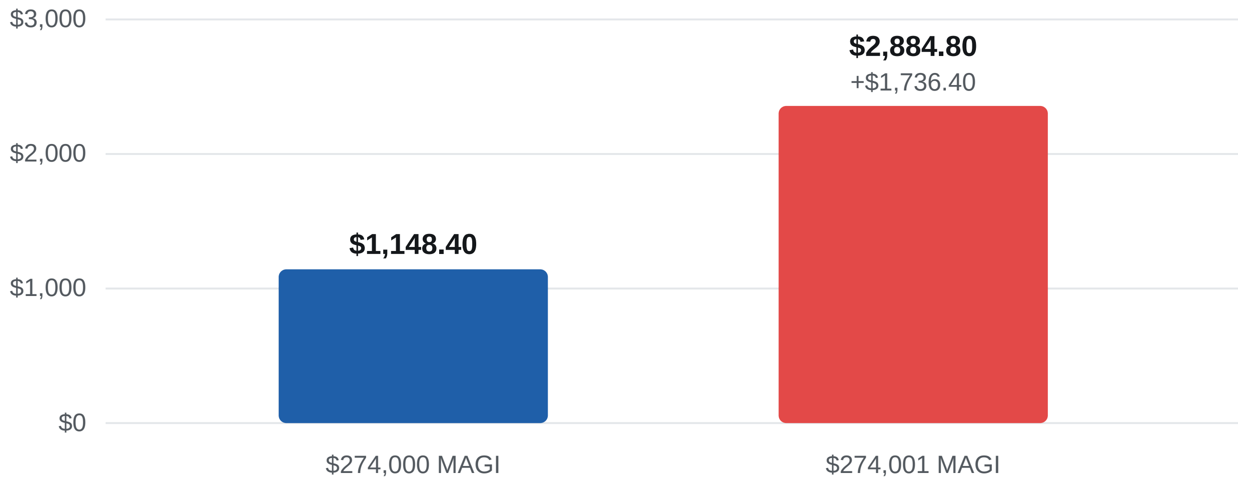
Every threshold in the matrix is a hard line. MAGI of $274,000 pays $1,148.40. MAGI of $274,001, one dollar more, pays $2,884.80, the full next tier, for the entire year. There is no proration, no partial surcharge, no gradual ramp. The practical implication: when you are near a threshold, the marginal cost of the next dollar of income is not your tax bracket, it is your tax bracket plus the entire jump to the next IRMAA tier.

The married-filing-separately trap

Filing separately while living with your spouse collapses the five-tier structure into two: standard premium up to $109,000 of MAGI, then an immediate jump to the second-highest tier, $6,355.20 per person, at $109,001. There is no gradual climb through the middle tiers the way joint filers experience. This is one of the clearest cases where a filing-status decision made for one reason has a large, easy-to-miss Medicare consequence.

One dollar of extra income at the wrong point in the matrix costs far more than the tax on that dollar.

Figure 2. The tier cliff: $274,000 MAGI versus $274,001 MAGI (MFJ, per person).



Illustrative. Per-person annual surcharge; a married couple both on Medicare pays this twice. The $1 of additional income itself is taxed normally at the household's marginal rate, separately from this surcharge.

Source: CMS 2026 Medicare cost announcement. Retrieved September 16, 2026.

Scenario	MAGI	Annual surcharge, per person
Just under the tier 3 threshold	$274,000	$1,148.40
Just over the tier 3 threshold	$274,001	$2,884.80

3. The Full 2026 IRMAA Matrix

> The complete matrix, both filing statuses, both Part B and Part D, for 2026. Bookmark this page, but re-verify the current-year figures each October, since four of the five tiers index annually.

2026 Medicare IRMAA tiers, monthly and annual, per person

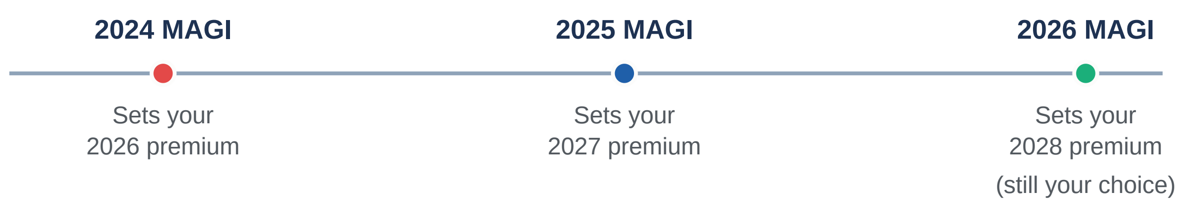
MAGI (MFJ)	MAGI (single)	Part B add-on	Part D add-on	Annual total
≤$218,000	≤$109,000	standard	plan only	$0
$218,001–$274,000	$109,001–$137,000	+$81.20/mo	+$14.50/mo	$1,148.40
$274,001–$342,000	$137,001–$171,000	+$202.90/mo	+$37.50/mo	$2,884.80
$342,001–$410,000	$171,001–$205,000	+$324.60/mo	+$60.40/mo	$4,620.00
$410,001–$750,000	$205,001–$500,000	+$446.30/mo	+$83.30/mo	$6,355.20
>$750,000	>$500,000	+$487.00/mo	+$91.00/mo	$6,936.00

> **WHAT IS FIXED VS. WHAT INDEXES**
>
> Only the top tier ($500,000 single / $750,000 MFJ) is frozen by statute through 2027. The four lower tiers index annually for inflation, so the exact dollar thresholds shift slightly most years. The two-year lookback structure itself is fixed by law and does not change.

Want your projected MAGI checked against this matrix before year-end? Schedule a Strategic Fit Interview.

The premium you pay this year was determined two years ago. The income you report this year determines a premium two years from now.

Figure 3. The two-year IRMAA lookback timeline.



This year's income decisions will not appear on a Medicare bill for two more years, giving you a full planning window if you track it now instead of waiting for the notice.

Source: CMS IRMAA determination methodology. Retrieved September 16, 2026.

4. The Worked Example

> James and Linda Farrow, 66 and 65, are a fictional household built to illustrate both the cost of an uncoordinated income spike and the appeal process that can fix a subsequent legitimate change.

2024: a Roth conversion the Farrows didn't model against IRMAA

The Farrows' baseline income was about $190,000. In 2024, on top of that, they completed a $90,000 Roth conversion, pushing their MAGI to $280,000, comfortably into what was, at the time, tier 3 of the matrix. The conversion made sense on its own tax-planning terms. Nobody checked what it would do to their 2026 Medicare premium.

2026: the surcharge arrives

Two years later, both Farrows are on Medicare, and their 2026 premiums reflect that 2024 MAGI: $2,884.80 per person, per year, $5,769.60 combined, on top of their standard premiums, an amount they had not budgeted for and could not have changed by 2026 even if they had wanted to.

Early 2026: James retires, a qualifying life-changing event

James stops working in January 2026. His 2026 income drops sharply, work stoppage is one of the eight events that qualifies for a Form SSA-44 appeal. The Farrows file the form with a projected 2026 MAGI of roughly $140,000, well under the first threshold, and request that Social Security use that projected figure instead of the 2024 return for their 2026 premium determination.

Outcome: the surcharge is reset, not just for this year

Once approved, the Farrows' 2026 premiums drop to the standard rate for the remainder of the year, with a refund for the months already overpaid. Just as importantly, their actual, lower 2026 MAGI now becomes the number that determines their 2028 premium under the normal two-year lookback, so the correction carries forward without a second appeal.

> **WHY THE ORDER OF EVENTS MATTERED**
>
> The conversion in 2024 was a tax-planning decision made without checking the IRMAA matrix two years out. The retirement in 2026 was a life event that happened to create an appeal opportunity. Neither one was planned around the other, but a household that checks the matrix before a large conversion can often avoid ever needing the appeal in the first place.

5. The Four Ways This Goes Wrong

Not hypothetical risks. Each one shows up repeatedly in real Medicare-age households, and each one is preventable if caught before the two-year window closes.

1. **The uncoordinated conversion**

   Running a Roth conversion sized around this year's tax bracket alone, with no check against the IRMAA matrix two years out. A conversion that saves real money on lifetime taxes can still trigger a surcharge that erodes part of that savings if it is not sized with the tier thresholds in mind.

2. **Missing a real appeal opportunity**

   Paying an elevated premium for a full year, or longer, after a genuine life-changing event, retirement, widowhood, a pension loss, without realizing Form SSA-44 exists. Most eligible households never file it, simply because nobody told them it was an option.

3. **The married-filing-separately surprise**

   Filing separately for an unrelated reason, without realizing it collapses the five-tier matrix into two and jumps straight to the second-highest surcharge at just $109,001 of MAGI. This is one of the most expensive, least understood interactions in the whole system.

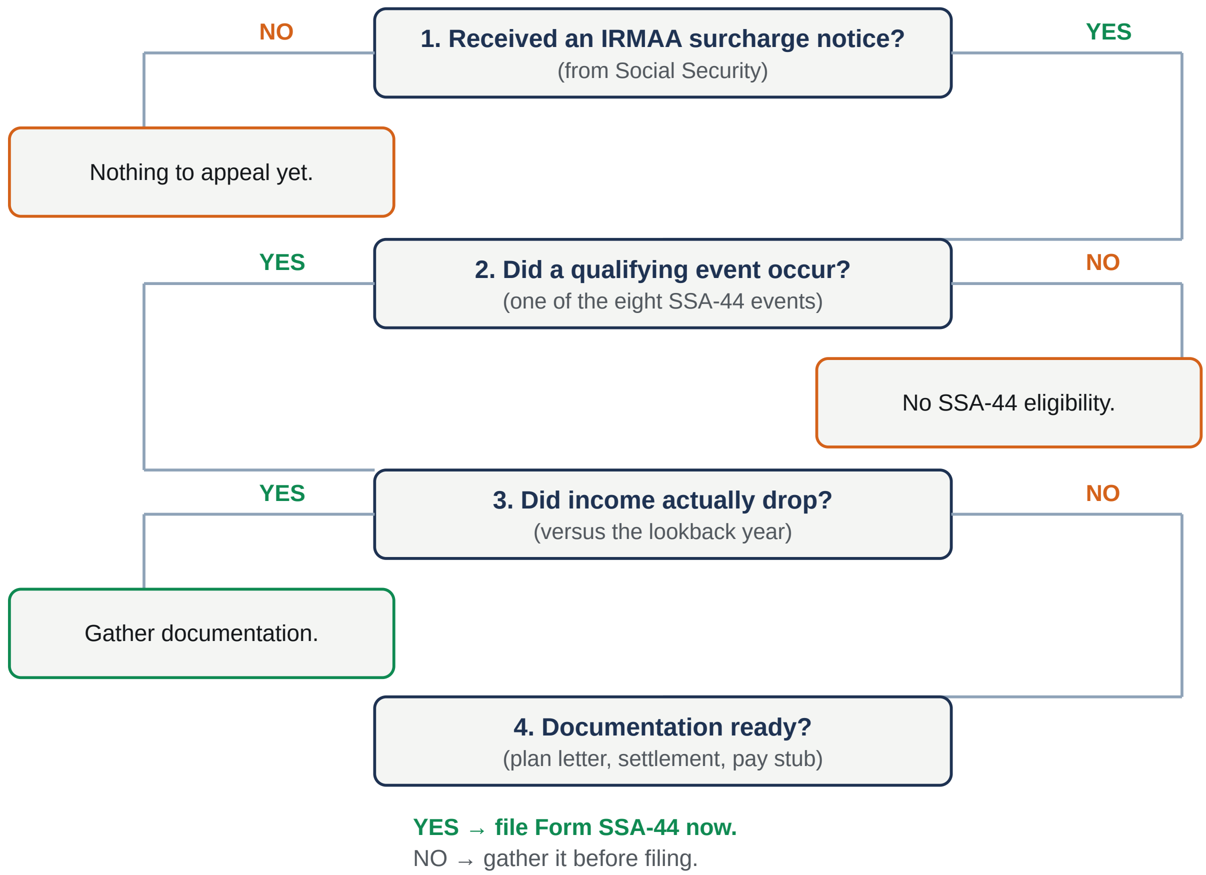
4. **Treating every tier as worth avoiding**

   Going to extreme lengths, or giving up a genuinely valuable Roth conversion or gain-harvesting opportunity, to stay one dollar under a threshold that only costs a few thousand dollars a year.

For some households, paying a tier or two is the correct trade-off against a larger tax-planning win; the goal is an informed decision, not automatic avoidance.

Run these four questions any year your income changed meaningfully from two years ago.

Figure 4. Your Form SSA-44 appeal decision framework.



A simplified framework. The event must cause a meaningful, documented reduction in income compared to the lookback year; a modest or undocumented change is unlikely to succeed.

Source: Social Security Administration, Form SSA-44 instructions. Retrieved September 16, 2026.

Question	If yes	If no
1. Received a surcharge notice?	Go to question 2	Nothing to appeal yet
2. Qualifying event occurred?	Go to question 3	No SSA-44 eligibility
3. Did income actually drop?	Gather documentation	Go to question 4
4. Documentation ready?	File Form SSA-44 now	Gather it before filing

6. Your Appeal Decision Framework

> The eight events that qualify for a Form SSA-44 appeal: marriage, divorce or annulment, death of a spouse, work stoppage (including retirement), work reduction, loss of income-producing property due to a disaster or other event outside your

> control, reduction or loss of employer pension income, and an employer settlement payment tied to the employer's bankruptcy or reorganization.

Run the four questions in Figure 4 any year your income changes meaningfully from what it was two years earlier. A routine appeal typically takes 30 to 60 days to process; more complex situations, self-employment income or an unusual event, can take longer. Approved appeals can be retroactive to the date of the event, which is why documentation and timely filing both matter.

7. Your Action Plan

> Seven steps, each with an owner and a rough timing trigger.

1. **Pull your last two years of MAGI.** Know exactly where you sit in the matrix today, and where your two-years-back number placed you. This week.
2. **Project your current-year MAGI before December.** Any Roth conversion, capital gain, or other income event this year should be checked against the matrix before, not after, it happens. Before December 31.
3. **Check every large income decision against the tier thresholds.** A conversion or gain sized to stay just under a threshold, instead of just over it, can be worth thousands. Every time, before executing.
4. **Watch for any of the eight SSA-44 events.** Retirement, widowhood, divorce, a pension change, or an employer settlement all start the appeal clock. As they occur.
5. **File Form SSA-44 promptly if a qualifying event occurs.** Gather documentation and file rather than waiting for the surcharge notice to arrive first. Within weeks of the event.
6. **Re-verify the current-year matrix every October.** Four of the five tiers index annually; do not plan next year off this year's numbers. Every October, when CMS publishes new figures.
7. **Revisit the whole picture at every major income decision.** A pension starting, a home sale, or a large RMD year are all triggers to re-run this framework. As triggered.

8. Worksheet

> Fill this in before your next planning conversation.

MAGI, two years ago (determines this year's premium)	____________
Current IRMAA tier and annual surcharge, per person	____________
Projected MAGI, this year (determines premium two years out)	____________
Distance to the next tier threshold (dollars)	____________
Any Roth conversion or large gain planned this year?	____________
Any of the 8 SSA-44 events occurred in the last 12 months?	____________
Filing status (check MFS impact if applicable)	____________

Notes:

9. What Changes This

> Four of the five tier thresholds move every year. The mechanics around them do not.

- **Every October:** CMS announces the following year's Medicare premiums and IRMAA thresholds. Re-verify the matrix in this guide against the current announcement before making year-end decisions.
- **Only the top tier is frozen:** the $500,000 single / $750,000 MFJ threshold is fixed by statute through 2027. Every other tier indexes for inflation.
- **Any qualifying life event:** starts the Form SSA-44 clock. Do not wait for the surcharge notice to file.
- **Any large planned income event:** a Roth conversion, a home sale, a Required Minimum Distribution, or a lump-sum pension payout should be checked against this matrix before it happens, not after.

Re-check trigger: revisit this framework any year your MAGI moves meaningfully, in either direction, or before executing any single transaction large enough to change your tier.

If this was useful

Share it with someone it would help. And if you want to talk through how it applies to your situation, the door is open.

Schedule a Strategic Fit Interview

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> *The highest compliment for me is that you share my values and views with the ones you care for. Thank you for your Trust!*

Sources and disclosures

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2. [2] CMS. IRMAA two-year lookback methodology: the current year's premium is based on MAGI reported two tax years prior (2026 premiums use 2024 MAGI). Retrieved September 16, 2026.
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6. Singh PWM. The Retirement Tax Playbook (companion federal guide). IRMAA figures and the "IRMAA Surprise" failure mode reused and expanded here with full appeal mechanics not covered in that guide. singhpwm.com/guides/retirement-tax-playbook.

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