

Taking Advantage of a Life Event Change

Thank you for serving our mutual clients. We take pride in providing them with the best service possible, and know that you have done the same. Periodically, we would like to inform you on interesting solutions we've provided clients.

One step in our "Pre-Marathon Preparation" process includes asking our clients if we can analyze their tax return. Asking to view their tax return gives us numerous pieces of information that can benefit the client. Recently the Initial Income-Related Monthly Adjustment Amount (IRMAA) Surcharge, which is an amount added to the monthly Medicare Part B & D premiums, stood out to us when reviewing Mr. & Mrs. Client's tax return.

Mr. & Mrs. Client were both on Medicare, and their adjusted gross income (AGI) for 2021 was \$350,000. They both retired on 12/31/2021. Going into retirement, they knew that their income was going to be dramatically reduced. They would receive small pensions, and only withdraw necessary amounts from their retirement accounts. Mr. Client estimated that their household AGI for 2022 would likely be around \$206,000.

After discussing this large life event change in detail with Mr. & Mrs. Client, we would recommend they file a Life Event Change Form with the Social Security Administration (SSA) office. We can assist in completing the forms, as well as a personal letter from Mr. & Mrs. Client to their local Social Security Administration Office.

What is a [Life Event Change Form](#)?

In determining your IRMAA surcharge, the SSA looks at your AGI from 2 years prior. However, if you go through a major life-changing event, and your income has decreased, you can file a form to request a reduction in your income-related monthly adjustment amounts. Life event changes include:

- Marriage
- Death of Spouse
- Work Reduction
- Loss of Pension Income
- Divorce
- Work Stoppage
- Loss of Income-Producing Property
- Employer Settlement Payment

Below is the IIRMA surcharge chart from Social Security. You can see that making the necessary adjustments by filing a form with the Social Security Administration office can make a huge difference in your monthly payments **per person**. Amounting to a large amount of money saved over a full year.

<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)*	\$ 97,000.01 - \$123,000.00	\$ 65.90	\$ 12.20
	\$123,000.01 - \$153,000.00	\$164.80	\$ 31.50
	\$153,000.01 - \$183,000.00	\$263.70	\$ 50.70
	\$183,000.01 - \$499,999.99	\$362.60	\$ 70.00
	More than \$499,999.99	\$395.60	\$ 76.40
-Married, filing jointly	\$194,000.01 - \$246,000.00	\$ 65.90	\$ 12.20
	\$246,000.01 - \$306,000.00	\$164.80	\$ 31.50
	\$284,000.01 - \$340,000.00	\$263.70	\$ 50.70
	\$366,000.01 - \$749,999.99	\$362.60	\$ 70.00
	More than \$750,000.00	\$395.60	\$ 76.40
-Married, filing separately (and you lived with your spouse during part of that tax year)*	\$97,000.01 - \$402,999.99	\$362.60	\$ 70.00
	More than \$403,000.00	\$395.60	\$ 76.40

Do you or someone you know find the intricacies of Medicare complicating? We would love to help in any way possible. Please let us know if our Stribling~Whalen Financial Group Marathon Roadmap Process can deliver value for other clients you have.

Regards,



Warren D. Stribling IV,
CFP®



Brian E. Whalen,
CFP®, CIMA®, AIF®



Jacob Beauchamp,
AAMS®

Source:

<https://www.ssa.gov/forms/ssa-44-ext.pdf>

<https://smartasset.com/retirement/form-ssa-44#:~:text=You%20should%20fill%20out%20Form,income%20and%20employer%20settlement%20payment.>

Raymond James and its advisors do not offer tax or legal advice. You should discuss any tax or legal matters with the appropriate professional. This case study is for illustrative purposes only. Individual cases will vary. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. Prior to making any investment decision, you should consult with your financial advisor about your individual situation. The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Opinions expressed are those of the author and are not necessarily those of Raymond James. All opinions are as of this date and are subject to change without notice.

620 Spring Street, SE // Gainesville, GA 30501
O 678.989.0048 // F 678.828.5775 // striblingwhalen.com

Securities offered through Raymond James Financial Services, Inc., member FINRA/SIPC. Investment advisory services offered through Raymond James Financial Services Advisors, Inc. Stribling-Whalen Financial Group is not a registered broker/dealer and is independent of Raymond James Financial Services, Inc.