

Stribling~Whalen

Financial Group

RAYMOND JAMES®

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 our client's "Will" and "Lisa's" (not their real names) tax return.

Will and his wife Lisa were both on Medicare, and their adjusted gross income (AGI) for 2020 was \$350,000. Will and Lisa both retired on 12/31/2020. 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. Will estimated that their household AGI for 2021 would likely be around \$206,000.

After discussing this large life event change in detail with Will and Lisa, we recommended that Will and Lisa file a Life Event Change Form with the Social Security Administration (SSA) office. We assisted in completing the forms, as well as a personal letter from Will and Lisa to the Gainesville 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

Will & Lisa's IRMAA surcharge was initially \$796 / month or \$9,552 / year for the both of them. Their new IRMAA surcharge amount will be \$144 / month or \$1,728 / year.

Saving Will and Lisa \$7,824 in 2021.

<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)*	\$ 88,000.01 - \$111,000.00	\$ 59.40	\$ 12.30
	\$111,000.01 - \$138,000.00	\$148.60	\$ 31.80
	\$138,000.01 - \$165,000.00	\$237.60	\$ 51.20
	\$165,000.01 - \$499,999.99	\$327.70	\$ 70.70
	More than \$499,999.99	\$356.40	\$ 77.10
-Married, filing jointly	\$176,000.01 - \$222,222.00	\$ 59.40	\$ 12.30
	\$222,222.01 - \$276,000.00	\$148.50	\$ 31.80
	\$276,000.01 - \$330,000.00	\$237.60	\$ 51.20
	\$330,000.01 - \$749,999.99	\$327.70	\$ 70.70
	More than \$750,000.00	\$356.40	\$ 77.10
-Married, filing separately (and you lived with your spouse during part of that tax year)*	\$88,000.01 - \$411,999.99	\$327.70	\$ 70.70
	More than \$411,999.99	\$356.40	\$ 77.10

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,



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Jacob Beauchamp,
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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.>

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

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