

Medicare premium increase and IRMAA surcharges announced for 2020



The base premium for Medicare Part B, which covers doctors' fees and outpatient services, will increase to \$144.60 per month in 2020, up from \$135.50 this year, according to an official announcement by the Centers for Medicare and Medicaid Services.

The annual deductible for all Medicare Part B beneficiaries will also increase next year, rising from \$185 in 2019 to \$198 in 2020.

Higher-income Medicare beneficiaries will also pay more for Medicare Part B and Part D prescription drug premiums plans in 2020 as a result of income-based surcharges, officially known as income-related monthly adjustment amounts, or IRMAA.

In 2019, individuals with incomes above \$85,000 and married couples with joint income above \$170,000 pay combined Medicare premiums and surcharges ranging from \$189.60 per month to \$460.50 per month per person.

Next year the initial income threshold for IRMAA surcharges will increase to \$87,000 for individuals, up \$2,000 from this year, and to \$174,000 for married couples filing jointly, up \$4,000 from this year's level. High-income beneficiaries who are married and lived with their spouse at any time during the taxable year but who file separate tax returns are subject to IRMAA surcharges in 2020 when their individual income exceeds \$87,000.

Combined Medicare Part B premiums and IRMAA surcharges will range from \$220.40 per month to \$491.60 per month per person in 2020. High-income Medicare beneficiaries are also subject to monthly surcharges for their Medicare Part D prescription drug plans.

2020 IRMAA income brackets and monthly premiums

Based on income reported on 2018 federal tax returns

	INDIVIDUALS	MARRIED COUPLES	IRMAA SURCHARGE	TOTAL PREMIUM
1st tier	<\$87,000	<\$174,000	\$0.00	\$144.60
2nd tier	\$87,001 - \$109,000	\$174,001 - \$218,000	\$57.80	\$202.40
3rd tier	\$109,001 - \$136,000	\$218,001 - \$272,000	\$144.60	\$289.20
4th tier	\$136,001 - \$163,000	\$272,001 - \$326,000	\$231.40	\$376.00
5th tier	\$163,001 - \$500,000	\$326,001 - \$750,000	\$318.10	\$462.70
6th tier	>\$500,000	>\$750,000	\$347.00	\$491.60

Income thresholds will be indexed to inflation in future years starting in 2021, except for the top-level income thresholds of \$500,000 for individuals and \$750,000 for married couples filing jointly, which were added in 2019. Those top tiers will be indexed to inflation starting in 2028.