2026 Medicare Income Planning

Part B and D Charges

The Medicare health care system is largely government funded, but individuals pay premiums to participate in two portions of it.

Medicare charges premiums to participants in Medicare Part B, covering doctor visits, and Part D, the prescription drug benefit. In 2026, the basic premium for Part B is $202.90 per month. The premium for Part D varies by plan.

The standard premiums for these are increased by surcharges imposed on upper-income individuals, those with **Modified Adjusted Gross Income (MAGI)** exceeding $109,000 on an individual return or $218,000 on a joint return.

In 2026, the largest premium surcharges apply to persons with MAGI of $500,000 or over on a single return or $750,000 or over filing jointly.

The extra amount that higher-income individuals must pay is called an **Income Related Monthly Adjustment Amount (IRMAA). The first five IRMAA** tiers for Medicare premium surcharges are adjusted for inflation each year. This could result in reduced Medicare premiums for some. The IRMAA tier for individuals earning $500,000 or more (or married couples with MAGI of $750,000 or more) will not be adjusted until 2028.

Combination Chart - Parts B and D

2026 IRMAA *MONTHLY* SURCHARGES FOR MEDICARE PART B AND PART D (Based on 2024 MAGI)

Filing Single	Married filing joint	IRMAA Surcharge Part B	Total Premium Part B	IRMAA Surcharge Part D	Total of surcharges Part B & D
$109,000 or less	$218,000 or less	$0.00	$202.90	$0.00	$0.00
Over $109,000 to $137,000	Over $218,000 to $274,000	$81.20	$284.10	$14.50	$95.70
Over $137,000 to $171,000	Over $274,000 to $342,000	$202.90	$405.80	$37.50	$240.40
Over $171,000 to $205,000	Over $342,000 to $410,000	$324.60	$527.50	$60.40	$385.00
Over $205,000 to less than $500,000	Over $410,000 to less than $750,000	$446.30	$649.20	$83.30	$529.60
$500,000 and above	$750,000 and above	$487.00	$689.90	$91.00	$578.00

IRMAA surcharges apply on a “cliff” basis. Reaching the first dollar of an IRMAA income level causes the full corresponding surcharge to apply to all premiums paid for the year.

Example:
If Bob has MAGI of as much as $109,000 on his single return, he’ll owe no surcharge. But if his income reaches $109,001, then a monthly surcharge of $81.20 for Part B plus $14.50 for Part D, or $95.70 total, will apply for all 12 months of the year. Bob’s $1 of additional income increases premium cost by $1,148.40 for the year.

Medicare Planning Points

Medicare premium surcharges are imposed on individuals with MAGI over $109,000 on a single tax return or $218,000 on a joint return.

2-Year Lookback
For IRMAA purposes, MAGI is defined as Adjusted Gross Income (AGI) plus tax-exempt interest and untaxed foreign income. Medicare uses the MAGI reported on the federal tax return from two years ago. For example, to determine whether someone will pay higher premiums for 2026, Medicare uses **2024** MAGI.

Similarly, the tax return filed for **2026** will be used to calculate IRMAA surcharges for the year **2028**.

RMD Effect
Address required minimum distribution (RMD) requirements well in advance of the required beginning date, explaining how RMDs are included in income for Medicare Part B and Part D costs two years down the road. RMDs are not required from Roth IRAs during the Roth IRA owner’s lifetime.

Don’t forget that this includes older beneficiaries who are also subject to RMDs on IRAs they have inherited.

Copyright © 2026, by Ed Slott and Company, LLC