BFG | BOYER FINANCIAL GROUP

FINANCIAL EXPERTS NETWORK • NOVEMBER 24, 2026

The "Gotcha Tax"

Coordinating Medicare, IRMAA and Roth Conversions for Clients 63+

Drew Boyer, CFP®, CMFC
Founder & President, Boyer Financial Group

For financial professional use only. Not for use with the public.

BFG | BOYER FINANCIAL GROUP

ABOUT YOUR PRESENTER

Drew Boyer, CFP®, CMFC

- Founder and president of Boyer Financial Group in Worthington, Ohio.
- More than two decades focused on retirement planning for Ohio police officers and firefighters: OP&F pensions, DROP, 457(b) plans and tax-efficient distributions.
- Contributor to Kiplinger, Rethinking65, WSJ Buyside, Think Advisor, InvestmentNews, Financial Planning.
- 2025/2026 WealthManagement.com Thought Leader of the Year finalist, 2025 InvestmentNews Hot List, FutureProof keynote speaker.

2003

Serving Ohio First Responders since

Hip Hop x Finance

Author (2025), foreword by Josh Brown

THE PROBLEM

Three deadlines. One client. One meeting.



OCT 15

Medicare Open Enrollment opens

Annual Notice of Change arrives

DEC 7

Open Enrollment closes

Plan choices lock for 2027

DEC 31

Roth conversion deadline

No recharacterization since 2018

2028

The Medicare bill arrives

Premiums set by 2026 MAGI

A conversion that looks right on a tax-bracket chart in December can raise Medicare premiums two years later.

TODAY'S AGENDA

What you'll be able to do after today

01

Explain IRMAA

The two-year lookback and how the cliff brackets work

02

Spot the triggers

Conversions, RMDs, gains, property sales, pensions

03

Use ages 60–63

Front-load conversions, then size to the next IRMAA tier

04

Know when to cross

When a higher IRMAA tier is worth it to cut future RMDs

05

Weigh Part D

Plan-switch savings vs. surcharges a conversion triggers

06

Use Form SSA-44

Appeal IRMAA after retirement, divorce or a spouse's death

IRMAA: a surcharge priced on old income

- An income-based surcharge added to Medicare Part B and Part D premiums.
- Applies to Part D whether the client has a stand-alone plan or Medicare Advantage.
- Charged per person, so a married couple pays it twice.
- Set by Social Security from IRS data, usually from two years before the premium year.

Muni bond interest your client calls "tax-free" still counts.

2 years

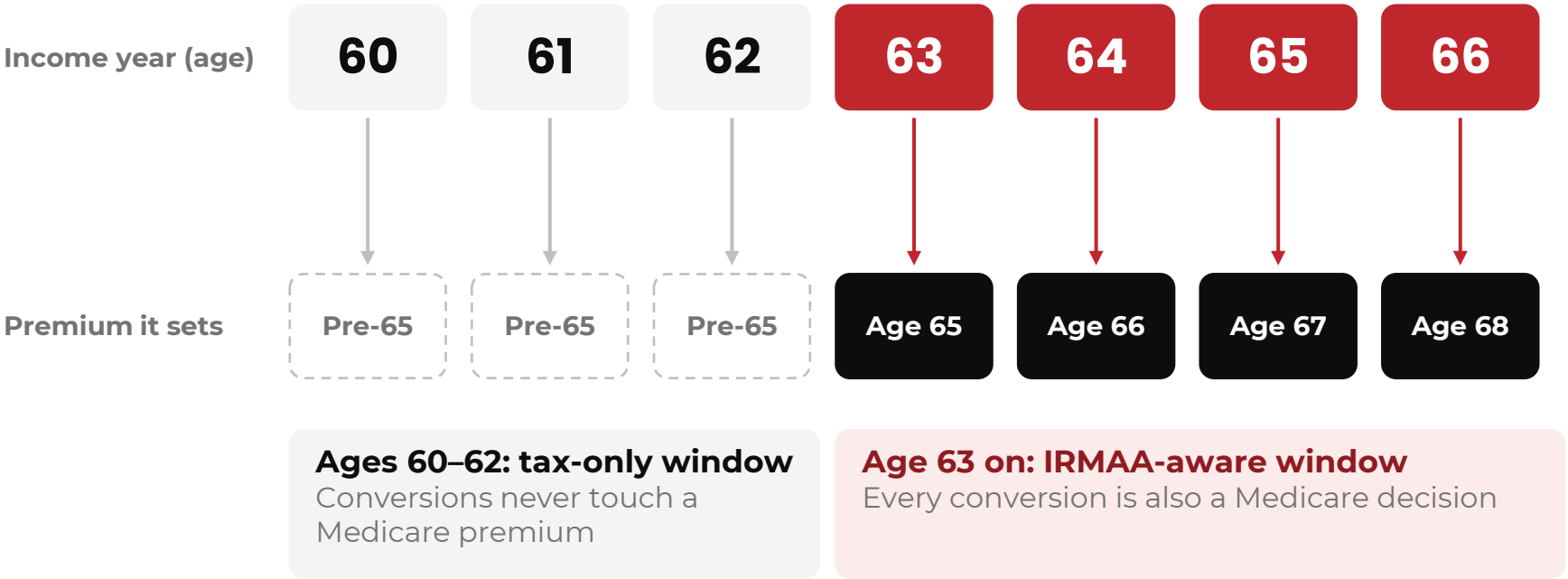
Lookback: 2026 MAGI sets 2028 premiums

IRMAA MAGI =

AGI (Form 1040, line 11)
+ tax-exempt interest (line 2a)

Source: SSA POMS HI 01101.010 (secure.ssa.gov/poms.nsf/lnx/0601101010)

The lookback, mapped by age



Ages 60–62: tax-only window
Conversions never touch a Medicare premium

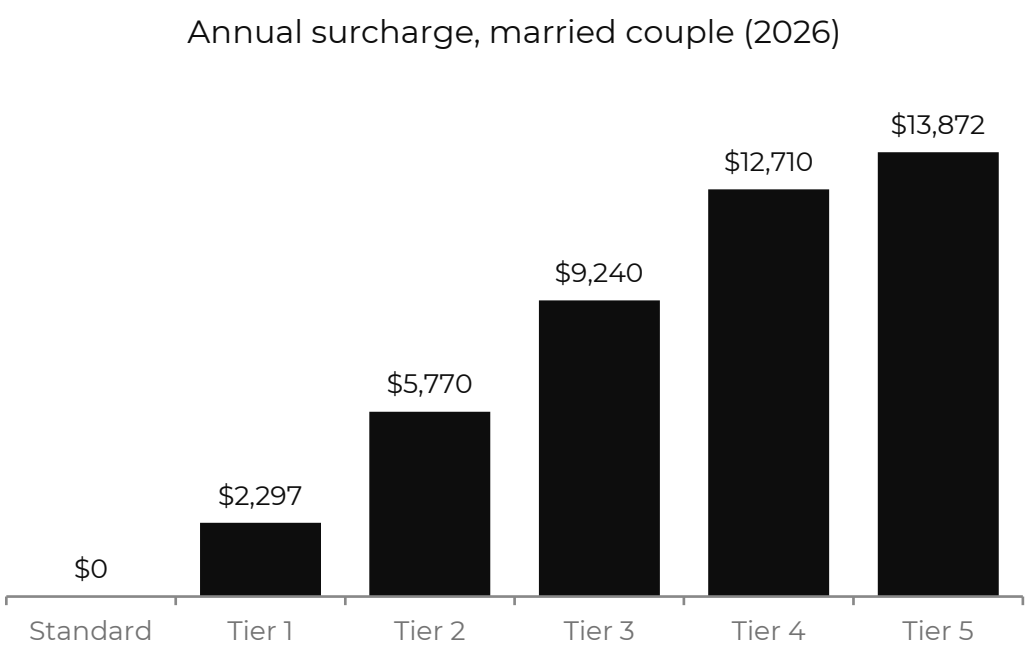
Age 63 on: IRMAA-aware window
Every conversion is also a Medicare decision

2026 IRMAA brackets (based on 2024 MAGI)

Tier	Single MAGI	Joint MAGI	Part B / mo	Part D add-on / mo	Couple's surcharge / yr
Standard	≤ $109,000	≤ $218,000	$202.90	$0.00	**$0**
Tier 1	$109,001–$137,000	$218,001–$274,000	$284.10	$14.50	**$2,297**
Tier 2	$137,001–$171,000	$274,001–$342,000	$405.80	$37.50	**$5,770**
Tier 3	$171,001–$205,000	$342,001–$410,000	$527.50	$60.40	**$9,240**
Tier 4	$205,001–$499,999	$410,001–$749,999	$649.20	$83.30	**$12,710**
Tier 5	≥ $500,000	≥ $750,000	$689.90	$91.00	**$13,872**

Source: CMS, 2026 Medicare Parts A & B Premiums and Deductibles fact sheet. Couple's surcharge = (Part B + Part D add-ons) × 12 × 2.

Tax brackets are slopes. IRMAA is a staircase.



$1 over

$218,000 joint MAGI costs a couple $2,297 for the year

A tax bracket taxes the next dollar. An IRMAA threshold reprices the whole year.

Source: CMS 2026 fact sheet; BFG calculation.

Which numbers to plan with this December

2026

Official

Based on 2024 MAGI

$218,000

joint threshold

$202.90

Part B standard

2027

***CMS release pending**

Based on 2025 MAGI

≈ $224,000

projected joint threshold

$209.50

Trustees' projection

2028

Projected

Based on 2026 MAGI: this December's conversions

$228,000–$232,000

projected joint threshold

Plan to the low end

Sources: CMS 2026 fact sheet; 2026 Medicare Trustees Report via MOAA; The Finance Buff IRMAA projections (Sept. 2026, 0%–3% inflation).

02 • WHAT PUSHES CLIENTS OVER

The income that triggers IRMAA

Roth conversions

100% of the converted amount

RMDs & IRA draws

Including a first-year double RMD

Capital gains

Watch December fund distributions

Property sales

Rentals, cabins, business, home gain over $250K/$500K

Pensions & DROP

DROP payouts, deferred comp, severance

Tax-exempt interest

Added back into IRMAA MAGI

Taxable Soc. Sec.

Up to 85% rises with other income

One-time spikes

Inheritances of IRAs, business sale years

Not in IRMAA MAGI: qualified Roth withdrawals, QCDs, qualified HSA withdrawals, return of basis.

Ages 60–63: the main Roth conversion window

Before 60	60–62	63–64	65+	73 / 75
Low income years; plan the runway	Tax-only window: convert aggressively	IRMAA-aware: size to the next tier	On Medicare: every year looks back 2	RMDs begin (SECURE 2.0)

- SECURE 2.0: RMDs start at 73 for clients born 1951–1959 and at 75 for those born 1960 or later.
- A firefighter who retires at 55 can have up to 20 low-income years before RMDs force income on him.
- **Front-load conversions before 63. From 63 on, size every conversion to the next IRMAA threshold.**

Source: SECURE 2.0 Act §107; IRS RMD FAQs.

Sizing a conversion to the next IRMAA tier

Next threshold	−	Projected MAGI	−	Cushion	=	Conversion room
$228,000		**$77,000**		**$6,000**		**$145,000**
Low end of 2028 projection		Pension, interest, gains		December surprises		Convert up to this

1. Project year-end MAGI before converting: fund distributions, muni interest, pension changes, IRA withdrawals.
2. Use the low end of the projected threshold for the premium year two years out.
3. Leave a cushion, then convert in early December so the conversion posts this tax year.

Price the conversion, not the bracket

1. **Federal income tax**
   The rate on the converted dollars, not the average rate

2. **State income tax**
   Ex. Ohio: flat 2.75% on income over $26,050 (2026)

3. **IRMAA, two years out**
   Part B + Part D surcharges, for both spouses

4. **Lost senior deduction**
   Age 65+: $6,000 each (2025–2028) phases out 6¢ per $1 over **$75,000 / $150,000 MAGI**

Our Roth Conversion Optimizer

Total cost ÷ dollars converted = the client's real rate

Compare it to the rate the money faces later: RMDs, a widow's single return, or heirs in peak earning years.

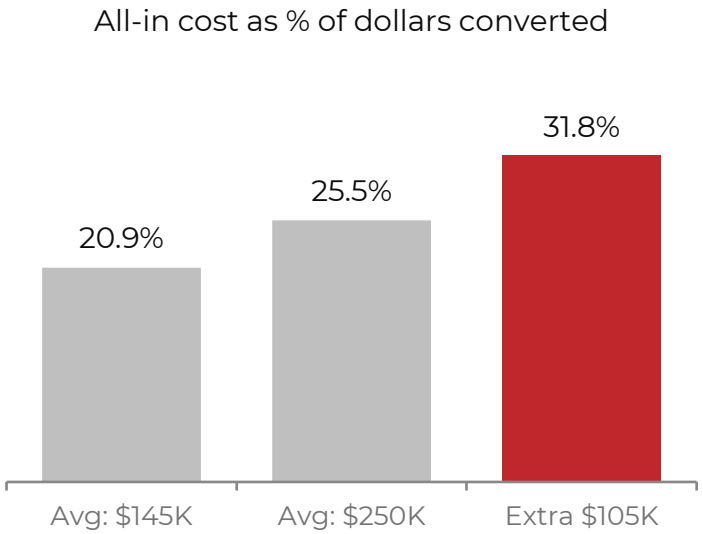
Sources: Ohio HB 96 (EY Tax News); IRS, One Big Beautiful Bill Act senior deduction.

CASE STUDY • HYPOTHETICAL

Mike & Karen, 63: what the next $105K really costs

Retired fire captain and retired teacher. $77,000 income (mostly OP&F pension), no Social Security yet, $1.4M pre-tax. Both born 1963: RMDs at 75.

	Convert $145K	Convert $250K
2026 MAGI	$222,000	$327,000
Federal tax	$26,300	$51,068
Ohio tax (2.75%)	$3,988	$6,875
2028 IRMAA (couple)	$0	$5,770
Total cost	**$30,288**	**$63,713**
Average rate	**20.9%**	**25.5%**



Hypothetical. 2026 federal brackets (Rev. Proc. 2025-32), MFJ standard deduction; Ohio 2.75%; IRMAA at 2026 surcharge amounts vs. projected 2028 thresholds.

When a higher IRMAA tier is worth it

Stay under the line when...

- Future RMDs will likely stay below IRMAA anyway
- The conversion would cross a tier by only a few dollars
- Taxes would have to come out of the IRA
- The client is likely to spend most of the IRA

Cross the line when...

- Pre-tax balances will push RMDs into IRMAA for life
- A surviving spouse would face single brackets
- Heirs are in high brackets (10-year rule)
- Cash outside the IRA can pay the tax

Rule of thumb: if you cross a threshold, fill the tier. The surcharge is the same at $1 over or $50,000 over.

CASE STUDY • CLIENT EXAMPLE

The couple whose income was about to double

$5M in IRAs at age 71

≈ $189K first RMD at 73 (÷ 26.5)

2× taxable income overnight

The plan

1. Updated the family trust so beneficiaries, trust terms and survivor income all match
2. Six-figure Roth conversions every year while they still file jointly
3. Accepted higher IRMAA surcharges as the price of smaller RMDs
4. Maximum QCDs at 73: QCDs satisfy the RMD tax-free, freeing room for conversions
5. Put idle cash (1%–2% yield) to work paying the conversion taxes

Client details changed for privacy. QCD limit $111,000 per person (2026). Uniform Lifetime Table factor 26.5 at age 73 (IRS Pub. 590-B).

The widow's penalty: same income, single brackets

	Married filing jointly	Single (surviving spouse)
24% bracket ends at (2027 taxable income)	$416,650	$208,325
Standard deduction (2027)	$33,200	$16,600
First IRMAA threshold (2026)	$218,000	$109,000
Social Security checks	Two	One (larger)

The survivor inherits the IRAs, so RMDs barely shrink. Income drops; the tax rate and IRMAA exposure climb. Conversions done while both spouses file jointly are often the cheapest the survivor will ever see.

Source: IRS IR-2026-133 / Rev. Proc. 2026-35 (2027 amounts); CMS 2026 fact sheet.

Part D savings vs. IRMAA surcharges

$2,400

Part D out-of-pocket cap

2027 (from $2,100)

$700

Standard Part D deductible

2027 (from $615)

$41.33

Base Part D premium / mo

2027 (from $38.99)

Switching drug plans saves

$300 / yr

Worth doing. Review every Annual Notice of Change.

A careless conversion costs a couple

$2,297 / yr

Tier 1 IRMAA, Part B + Part D, both spouses (2026 rates)

Sources: CMS CY 2027 Rate Announcement (Apr. 2026) and Part D base premium release (July 2026), as reported by USA Benefits Now and BenefitsUSA; CMS 2026 fact sheet.

Form SSA-44: appeal after a life-changing event

Qualifying life-changing events

- Work stoppage (retirement)
- Work reduction
- Marriage
- Divorce or annulment
- Death of a spouse
- Loss of income-producing property
- Loss of pension income
- Employer settlement payment

How it works

File SSA-44 with an estimate of current-year MAGI and proof of the event. SSA uses the lower, recent income instead.

Doesn't qualify: a Roth conversion, capital gain or property sale you chose to make.

Source: SSA, Request to Lower an IRMAA (ssa.gov/medicare/lower-irmaa); Form SSA-44.

THE Q4 PLAYBOOK

One meeting, seven steps, every fourth quarter

1

Sort by age

Under 63: fill brackets. 63+: model total cost

2

Project MAGI

Fund distributions, muni interest, pensions

3

Find the next tier

Low end of the two-years-out projection

4

Price it in total

Federal + state + IRMAA + senior deduction

5

Review Part D

Compare plan savings to surcharge risk

6

Check SSA-44

Retired, widowed, divorced, income down?

7

Act in early December

Convert, QCD, cover the tax

KEY TAKEAWAYS

- IRMAA looks back two years and works as a cliff, not a bracket.
- Ages 60–62 are tax-only. From 63, every conversion is a Medicare decision.
- Price conversions in total: federal, state, IRMAA, senior deduction.
- Cross a tier on purpose, then fill it.
- Run Open Enrollment and conversions in the same meeting.

Questions?

Drew Boyer, CFP®, CMFC
drew@boyerfinancialgroup.com
614-396-9754
www.boyerfinancialgroup.com

IMPORTANT INFORMATION

Disclosures

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Private Advisor Group, a registered investment advisor. Private Advisor Group and Boyer Financial Group are separate entities from LPL Financial.

Case studies are hypothetical or use client situations with details changed to protect privacy. They are for illustrative purposes only and do not guarantee future results.

This material is not intended as tax or legal advice. Consult a qualified tax or legal professional regarding your specific situation.

2027 and 2028 IRMAA thresholds and the 2027 Part B premium shown are projections and are subject to change when CMS publishes official figures.

For financial professional use only. Not for use with the public.

REFERENCES

Sources

- CMS, 2026 Medicare Parts A & B Premiums and Deductibles: cms.gov/newsroom/fact-sheets/2026-medicare-parts-b-premiums-deductibles
- SSA POMS HI 01101.010 (IRMAA MAGI and lookback): secure.ssa.gov/poms.nsf/lnx/0601101010
- SSA, Request to Lower an IRMAA / Form SSA-44: ssa.gov/medicare/lower-irmaa
- IRS Rev. Proc. 2025-32 (2026 brackets); IRS IR-2026-133 / Rev. Proc. 2026-35 (2027 amounts)
- IRS, recharacterization FAQs (TCJA): irs.gov/retirement-plans/ira-faqs-recharacterization-of-ira-contributions
- SECURE 2.0 §107 tracker (Q3 Advisors); IRS RMD FAQs; IRS Pub. 590-B
- IRS, OBBBA senior deduction; University of Illinois Tax School, OBBBA summary
- The Finance Buff, IRMAA projections (Sept. 2026); MOAA on the 2026 Trustees Report
- USA Benefits Now and BenefitsUSA, 2027 Part D figures from CMS; EY Tax News, Ohio HB 96