

2021 Taxes: Income Tripwires that result
in higher Medicare Premiums in a future year

Medicare Premium Trip Wires - 2021 for married, filing jointly

Cross a tripwire and incur higher premiums These accumulate.

MAGI Tripwire		Part B	Part D	Approx. Cost if you cross this Tripwire*	Cum
#1	\$176,000	\$1,426	\$295	\$1,721	\$1,721
#2	\$222,000	\$2,138	\$468	\$2,606	\$4,327
#3	\$276,000	\$2,138	\$466	\$2,604	\$6,931
#4	\$330,000	\$2,138	\$468	\$2,606	\$9,538
#5	\$750,000	\$713	\$154	\$866	\$10,404

Medicare Premium Trip Wires - 2021 for single filer

Cross a tripwire and incur higher premiums

MAGI Tripwire		Part B	Part D	Approx. Cost if you cross this Tripwire*	Cum
#1	\$88,000	\$713	\$148	\$860	\$860
#2	\$111,000	\$1,069	\$234	\$1,303	\$2,164
#3	\$138,000	\$1,069	\$233	\$1,302	\$3,466
#4	\$165,000	\$1,069	\$234	\$1,303	\$4,769
#5	\$375,000	\$356	\$77	\$433	\$5,202

MAGI on 2021 return submitted April 2022 determines Medicare premiums in 2023

* I show the penalty for 2021 calendar year; the penalties in 2023 triggered by your 2021 return will be announced in ~ November 2022.

[CMS site for Part B Premiums for 2021 calendar year](https://www.cms.gov/newsroom/fact-sheets/2021-medicare-parts-b-premiums-and-deductibles)

<https://www.cms.gov/newsroom/fact-sheets/2021-medicare-parts-b-premiums-and-deductibles>

[CMS site for Part D Premiums](https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/monthly-premium-for-drug-plans)

<https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/monthly-premium-for-drug-plans>

	Threshold	
MAGI that can trigger added 3.8% Net Investment Income tax. (Tax is on the amount that is over the threshold.)	\$250,000	Joint
	\$200,000	Single

[Long explanation here.](https://smartasset.com/investing/net-investment-income-tax)

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