



HEATHER SCHREIBER'S

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# SOCIAL SECURITY ADVISOR

## Social Security Planning for Retirement

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### Top Social Security and Medicare Developments of 2024

Ed Slott, CPA, known as America's IRA Expert and is the Editor-in-Chief of *Ed Slott's IRA Advisor*, points to three key events during 2024 that can impact Social Security and Medicare: The IRS issued [final required minimum distribution \(RMD\) regulations](#) for the [SECURE Act](#) and [proposed regulations on the RMD rules](#) for [SECURE Act 2.0](#); the federal election shifted the balance of power in Washington; and the stock market enjoyed a strong run-up. *What do these major moves have to do with Social Security and Medicare?*

under the Income-Related Monthly Adjustment Amount (IRMAA) rules."



"The increased amounts could include more tax on Social Security income as well as steeper 'stealth' income tax for Medicare Parts B and D premiums under the Income-Related Monthly Adjustment Amount rules."

-Ed Slott

#### Redefining RMDs

Many aspects of the SECURE Act legislation involve RMDs. "The starting age for RMDs has increased from 70½ to 73," says Slott, "with a further increase to age 75 scheduled for those born after 1959. That means more years without RMDs, with the potential for greater tax-deferred buildup."

*Sounds good, right?* Maybe not, cautions Slott. "Putting money into a pre-tax retirement is basically taking a loan from Uncle Sam," he says. "The tax avoided eventually must be paid, perhaps at higher future tax rates. The increased amounts could include more tax on Social Security income as well as steeper 'stealth' income tax for Medicare Parts B and D premiums

What's more, the final SECURE Act regulations also confirmed that many IRA and employer-sponsored plan beneficiaries will have to deplete their inherited accounts within 10 years, rather than stretch distributions over their life expectancy. "Beneficiaries still in their peak career years could be especially hard hit if RMDs increase the amounts paid for income tax on Social Security or IRMAA Medicare premiums," says Slott.

#### The Depletion Decade

Sarah Brenner, Director of Retirement Education at Ed Slott and Company, in Rockville Centre, NY, expands on the impact that the final regulations on RMDs can have on account owners and beneficiaries.

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