Kurt H. Jackson,
Retirement Lifestyle Architect

Hidden Retirement Costs Checklist

The 2026 Guide to Avoiding the Medicare Success Penalty and Keeping More of What You've Earned

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Why Does Success Mean Paying More?

Who decided that the more you succeed, the more Medicare punishes you?

If you've ever been told to 'just keep saving,' did anyone mention that your reward could be a $6,936+ annual penalty... per person... for crossing a government income threshold (1)?

Why do so many 'trusted' advisors ignore the fact that a single extra dollar of income can cost you thousands in surcharges?

What's the point of building wealth if the system penalizes you for it?

Would you rather have a plan that lets you live your best life, or one that's dictated by government thresholds and hidden traps?

The 2026 Medicare Success Penalty: How a Single Dollar Can Cost You Thousands

Did you know that in 2026, if your Modified Adjusted Gross Income (MAGI) is just $1 over $109,000 (single) or $218,000 (married), you'll pay an extra $1,148.40 per year in Medicare surcharges... per person (2)?

And if you cross the top bracket ($500,001 single/$750,001 married), your penalty jumps to $6,936 per year, per person (3).

What happens if you're just $1 over the line? Medicare doesn't care... it's a 'cliff,' not a gradual phase-in.

Are you comfortable letting a single dollar dictate your lifestyle?

The 3 Biggest Mistakes That Cost Affluent Retirees Thousands

1. Ignoring the IRMAA Cliff

Why do so many plans treat Medicare surcharges as 'just another cost,' when a single dollar can trigger thousands in penalties?

Are you aware that IRMAA applies to both Part B and Part D, and is deducted directly from your Social Security check (2)?

How would you feel if your 'reward' for a lifetime of saving was a penalty that grows every year?

2. Focusing on Accumulation, Not Distribution

Why do traditional advisors obsess over your account balance, but never show you how to spend with confidence... or how to avoid triggering hidden costs?

Did you know that the average affluent retiree withdraws only 2.1% of their assets annually, far below the 'safe' 3.9% withdrawal rate (4)?

What's the point of building wealth if you're too afraid to enjoy it?

3. Overlooking State and Federal Tax Traps

Did you know that up to 85% of your Social Security can be taxed, and that RMDs (Required Minimum Distributions) at age 73 or 75 can push you into higher tax brackets and trigger even more Medicare penalties (5)?

Are you planning for state income taxes, estate taxes, and the 'tax torpedo' effect that can erode your retirement income (6)?

What Most Advisors Never Mention: The Hidden Costs Checklist

- **Medicare IRMAA Surcharges:** Start at $109,000 (single) and $218,000 (married) MAGI; up to $6,396/year per person (2)(3)

- **State Income Taxes:** Up to 13.3% in states like California; 0% in Florida, Texas, Nevada (7)
- **Social Security Taxation:** Up to 85% taxable at the federal level; 8 states still tax benefits (8)
- **RMD Penalties:** 25% penalty for missed withdrawals (reduced to 10% if corrected) (5)
- **Long-Term Care Costs:** $111,000/year average for facility care; Medicare covers little to none (9)
- **Healthcare Inflation:** Lifetime costs for a couple can exceed $428,000, especially with long-term care (10)
- **Estate and Inheritance Taxes:** 12 states and D.C. have estate taxes; exemptions as low as $1 million (11)
- **Home Maintenance and Unexpected Expenses:** 1–2% of home value per year; rising costs (12)
- **Tax Law Changes:** TCJA sunset may lower estate tax exemption and raise income tax rates after 2026 (13)

Why Traditional Planning Fails Affluent Professionals

If your advisor's compensation depends on keeping your assets under management, are they truly incentivized to help you spend with confidence... or to keep your money invested for as long as possible (14)?

Why do so many 'fiduciaries' avoid recommending protected income solutions, even when research shows they increase spending confidence and satisfaction (15)?

Did you know that, as of 2026, there's still no universal fiduciary standard?

Many advisors are only required to recommend 'suitable' investments, not the best ones for your goals (16).

How can you trust advice that's built on shifting sand?

Lifestyle-First Planning: The Only Way to Keep More of What You’ve Earned

What if you could design your retirement income to avoid these traps... so your lifestyle isn’t dictated by government thresholds?

What would your retirement look like if you started with your bucket list, not your balance sheet?

How would your confidence change if you knew your income was protected for life, not just projected on a spreadsheet?

Did you know that retirees with predictable, protected income spend up to 19% more and report significantly higher satisfaction (15)?

Why do you think the ultra-wealthy use these strategies, while most advisors dismiss them as ‘unnecessary’?

My Story: Why I Don’t Do Risky Investments

After watching myself and my clients lose years of progress in the dot-com crash, I made a decision: I would never again let my clients’ dreams depend on a market they can’t control. What would it mean for you to have a partner who’s more interested in your lifestyle than your account balance?

Your Next Step: Keep More of What You’ve Earned

Are you ready to see how a lifestyle-first plan can help you avoid hidden costs, retire sooner, and live the life you’ve always imagined? Would you like to know exactly how much of your retirement is exposed to these traps... and what you can do about it?

Schedule your complimentary 15-minute Retirement Health Check call.

In just 15 minutes, we'll:

- Identify the biggest hidden cost in your current retirement strategy
- Show you one specific action you can take in the next 30 days to keep more of what you've earned
- Explore whether a protected income approach could increase your confidence and control

Click HERE to schedule your 15-minute Retirement Health Check:

No sales pitch. No pressure. Just straight answers about your retirement.

Disclosure

This guide is for educational purposes only and does not constitute financial, tax, or legal advice. Individual results may vary. Please consult with qualified professionals before making any financial decisions.

Citations

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