

Abstract: Do you pay premiums for Medicare health insurance? You may be able to combine them with other qualifying health care expenses and claim them as an itemized deduction for medical expenses on your tax return. This includes amounts for “Medigap” insurance and Medicare Advantage plans, which cover some costs that Medicare Parts A and B don’t cover.

Medicare premiums may lead to tax savings

If you pay premiums for Medicare health insurance, you may be able to combine them with other qualifying expenses and claim them as an itemized deduction for medical expenses on your tax return. This includes amounts for “Medigap” insurance and Medicare Advantage plans, which cover some costs that Medicare Parts A and B don’t cover.

For 2024, you can deduct medical expenses only if you itemize deductions and only to the extent that total qualifying health care expenses exceeded 7.5% of your adjusted gross income. For tax year 2024, the basic standard deduction amounts are: \$14,600 for single filers; \$29,200 for married joint-filing couples; and \$21,900 for heads of households. Under the Tax Cuts and Jobs Act, which raised the standard deductions through 2025, fewer individuals itemize deductions. However, those with significant qualified medical expenses may still be eligible to itemize and enjoy some tax savings.

Important note: Self-employed people and shareholder-employees of S corporations can generally claim an above-the-line deduction for their health insurance premiums, including Medicare premiums. That means it’s not necessary for them to itemize to get the tax savings from their premiums.

In addition to Medicare premiums, you can deduct a variety of other medical expenses, including ambulance services, dental treatment, eyeglasses, hospital services, lab tests, qualified long-term care services and prescription medicines. Transportation costs to medical appointments may also be deductible.

Contact us with questions about claiming medical expense deductions on your personal tax return. We can help you identify an optimal overall tax-planning strategy based on your personal circumstances.