



# Taxable Social Security Benefits

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### Taxable Social Security Benefits

You may have to pay federal income taxes on your Social Security benefits. This usually happens only if you have other substantial income (such as wages, self-employment, interest, dividends and other taxable income that must be reported on your tax return) in addition to Social Security benefits.

### Taxable Benefits

To determine the amount of Social Security or Railroad Retirement benefits that may be taxable, you must compare the base amount with the total of:

- 1) One-half of the benefits received, plus
- 2) All other income, including tax-exempt interest.

Other income is not reduced by any exclusions for:

- Interest from qualified U.S. Savings Bonds,
- Employer-provided adoption benefits,
- Foreign earned income or foreign housing, or
- Income earned by bona fide residents of American Samoa or Puerto Rico.

### Taxable Social Security Base Amounts

Filing Status	Base Amount
Single, Head of Household, or Qualifying Surviving Spouse .....	\$25,000
Married Filing Separately and lived apart from spouse all year.....	\$25,000
Married Filing Jointly .....	\$32,000
Married Filing Separately.....	\$0

### Worksheet to Determine if Benefits May Be Taxable

A) Amount of Social Security or Railroad Retirement Benefits.....	A) _____
B) One-half of amount on line A .....	B) _____
C) Taxable pensions, wages, interest, dividends, and other taxable income.....	C) _____
D) Tax-exempt interest plus any exclusions from income .....	D) _____
E) Add lines B, C, and D.....	E) _____

If the amount on line E is less than or equal to the base amount, none of the benefits are taxable. If the amount on line E is more than the base amount, some of the benefits may be taxable.

**Example #1:** John and Betty, a married couple both age 68, are retired and receive the following income:

Source	John	Betty
Social Security .....	\$7,500	\$3,500
Pension.....	\$16,000	\$6,000
Interest.....	\$250	\$250

John and Betty file a joint tax return. Their income used to determine if Social Security benefits are taxable (\$28,000) is less than the taxable Social Security base amount (\$32,000) for joint filers. None of their Social Security benefits are taxable.

### Worksheet to Determine if Benefits May Be Taxable

A) Amount of Social Security or Railroad Retirement Benefits.....	A) \$11,000
B) One-half of amount on line A.....	B) \$ 5,500
C) Taxable pensions, wages, interest, dividends, and other taxable income .....	C) \$22,500
D) Tax-exempt interest plus any exclusions from income .....	D) \$ 0
E) Add lines B, C, and D.....	E) \$28,000