

# Social Security

Quick Calculator, go to <http://www.covisum.com/blog/calculator-figures-social-security-tax>

## Benefits Planner: Income Taxes And Your Social Security Benefits

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Some people have to pay federal income taxes on their 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 your benefits.

No one pays federal income tax on more than 85 percent of his or her Social Security benefits based on Internal Revenue Service (IRS) rules. If you:

- **file a federal tax return as an "individual"** and your *combined income\** is
  - between \$25,000 and \$34,000, you may have to pay income tax on up to 50 percent of your benefits.
  - more than \$34,000, up to 85 percent of your benefits may be taxable.
- **file a joint return**, and you and your spouse have a *combined income\** that is
  - between \$32,000 and \$44,000, you may have to pay income tax on up to 50 percent of your benefits
  - more than \$44,000, up to 85 percent of your benefits may be taxable.
- **are married and file a separate tax return**, you probably will pay taxes on your benefits.

**\*Note:**

$$\begin{aligned} & \text{Your adjusted gross income} \\ & \quad + \text{Nontaxable interest} \\ & + \frac{1}{2} \text{ of your Social Security benefits} \\ & = \text{Your "**combined income**"} \end{aligned}$$

Each January you will receive a *Social Security Benefit Statement* (Form SSA-1099) showing the amount of benefits you received in the previous year. You can use this *Benefit Statement* when you complete your federal income tax return to find out if your benefits are subject to tax.

**Note:**

If you currently live in the United States and you misplaced or didn't receive a Form SSA-1099 or SSA-1042S for tax year 2014, you can now get an instant replacement form by using your online *my Social Security* account. If you don't already have an account, you can create one online. To get your replacement Form SSA-1099 or SSA-1042S, go to Sign In or Create an Account. Once you are logged in to your account, select the "**Replacement Documents**" tab to request the form.

If you do have to pay taxes on your Social Security benefits, you can make quarterly estimated tax payments to the IRS or choose to have federal taxes withheld from your benefits.

For more information about taxation of benefits, read page 14 of our *Retirement Benefits* booklet or IRS Publication 915, *Social Security and Equivalent Railroad Retirement Benefits* .