

YOUR WORKSHEET

D) Estimate of Taxation of Social Security Benefits

Year 1 Year 5

1. Add your AGI and tax-exempt income.

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2. Enter half your annual Social Security benefits (if married filing jointly, enter half of your combined benefits).

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3. Enter total of lines 1 & 2

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*If the total of line 3 is less than \$25,000 and you are unmarried**, or less than \$32,000 and you are married filing jointly, none of your Social Security benefits are taxable. If you are married, filing separately and live with your spouse, go to line 8.*

4. If the total of line 3 is greater than the figures above, subtract \$25,000. If you are unmarried** and \$32,000 if you are married filing jointly and enter amount.

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5. Divide line 4 by one-half and enter amount.

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6. Enter the smaller of line 2 or line 5.

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*If the figure on line 3 is less than \$34,000 and you are unmarried** or less than \$44,000 and you are married filing jointly, the figure on line 6 is the Social Security benefits subject to taxation and stop here. Otherwise, go on to line 7.*

7. Compare the figure on line 6 with \$4,500 if you are unmarried** or \$6,000 if you are married filing jointly and enter the smaller amount.

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8. Take the figure on line 3 and subtract \$34,000 if you are unmarried**, \$44,000 if married filing jointly and nothing if you are married, filing separately and live with your spouse. Enter this amount.

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9. Multiply line 8 by 0.85 and enter amount

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10. Enter the sum of figures on lines 7 and 9.

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11. Multiply your annual Social Security Benefits (combined benefits if married filing jointly) by 0.85 and enter amount.

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The smaller of the figures on lines 10 and 11 is the amount of your Social Security benefits subject to taxation.

*The worksheet is for estimate purposes only. Consult a tax advisor for actual determination of Social Security benefits taxation.

** Also includes head of household filing separately and living apart from spouse.

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