

28-Apr-14

Taxation of Social Security Benefits

Year enacted	Definition of income	Individuals or couples with income exceeding—	Benefits included in gross income	Effective for taxable years—
Married filing jointly				
1983	Modified adjusted gross income, plus 50 percent of Social Security and Tier 1 Railroad Retirement benefits	\$32,000	Lesser of one-half of Social Security and Tier 1 Railroad Retirement benefits or one-half of income over \$32,000	Ending after Dec. 31, 1983
1993	Same as above	\$32,000 but not \$44,000	Same as above	Beginning after Dec. 31, 1993
		\$44,000	Lesser of 85 percent of Social Security and Tier 1 Railroad Retirement benefits or the sum of \$6,000 plus 85 percent of income over \$44,000	
Married filing separate returns [1]				
1983	Same as above	\$0	Lesser of one-half of Social Security and Tier 1 Railroad Retirement benefits or one-half of income	Ending after Dec. 31, 1983
1993	Same as above	\$0	Lesser of 85 percent of Social Security and Tier 1 Railroad Retirement benefits or 85 percent of income	Beginning after Dec. 31, 1993
Individuals in all other filing categories				
1983	Same as above	\$25,000	Lesser of one-half of Social Security and Tier 1 Railroad Retirement benefits or one-half of income over \$25,000	Ending after Dec. 31, 1983
1993	Same as above	\$25,000 but not \$34,000	Same as above	Beginning after Dec. 31, 1993
		\$34,000	Lesser of 85 percent of Social Security and Tier 1 Railroad Retirement benefits or the sum of \$4,500 plus 85 percent of income over \$34,000	

NOTES: Income is defined as modified adjusted gross income, plus 50 percent of Social Security and Tier 1 Railroad Retirement benefits. Modified adjusted gross income is adjusted gross income (before Social Security or Railroad Retirement benefits are considered), plus tax-exempt interest income, with further modification of adjusted gross income in some cases involving certain tax provisions of limited applicability among the beneficiary population.

Social Security and Tier 1 Railroad Retirement benefits include workers' compensation benefits to the extent they cause a reduction in Social Security or Tier 1 Railroad Retirement disability benefits.

[1] Includes only married taxpayers filing separately who lived with their spouse at any time during the tax year; married individuals filing separately who did not live with their spouse are treated the same as unmarried individuals.

SOURCE: Social Security Administration, Social Security Bulletin - Annual Statistical Supplement 2013 (February 2014).