The Taxation of Social Security Payments

For millions of retirees, Social Security makes up the largest share of their retirement income. But if you have income over certain thresholds, your payments could be taxable.

This is a separate issue from the "earnings test" that can affect payments for some beneficiaries who still work. Check out AARP's article on Social Security and work at **aarp.org/social-security/working-and-your-monthly-benefit** to learn more. You can also head over to **aarp.org/money/retirement** for resources to help you plan and save for retirement.

What Gets Taxed?

A portion of your Social Security payment is taxable if your "provisional" income exceeds certain thresholds. There are two thresholds, as shown in the table below. If your income exceeds the lower, threshold up to 50% of your Social Security payment could be taxable. If your income exceeds the higher threshold, up to 85% of your payment benefit could be taxable.

What Counts as Provisional Income?

A portion of your Social Security payment The income sources that you report on your tax return are the basis for determining

if you owe taxes on your payments. "Provisional income" includes all sources of taxable income, like wages, pensions, interest and dividends. Tax-exempt interest counts, too. Provisional income also includes one-half of your Social Security payments.

Here's an example of a single filer who wouldn't owe federal income taxes on their Social Security payments, since their income didn't reach the $25,000 threshold.

An additional $1,001 in non-Social Security income would push this filer over the lower income threshold, making a portion ($1) of his Social Security payments taxable. Only the amount over the threshold is taxable.

Income Source	Annual Income
Pension benefits	$15,000
Interest income	1,500
Half of Social Security benefit	7,500
Total Income	**$24,000**

Here's an example of a retired married couple filing jointly. Their joint reported income exceeds the lower income threshold for couples by $3,000, so that portion of their Social Security payments is subject to income tax.

Category	Your Amount	Spouse Amount	Combined / Calculation	Result
Consulting Income	$11,000	$11,000	$22,000	
Half of Social Security	$7,000	$6,000	$13,000	
Total Combined Income	$18,000	$17,000	$35,000	
Lower Threshold (MFJ)			$32,000	
Amount Over Threshold			$35,000 – $32,000	$3,000

Category	Your Amount	Spouse Amount	Combined / Calculation	Result
50% of Excess Income			$3,000 × 50%	$1,500
Total Social Security (Full Benefits)	$14,000	$12,000	$26,000	
50% of Total Benefits			$26,000 × 50%	$13,000
Taxable SS Benefit (Lesser Rule)			Lesser of $1,500 or $13,000	$1,500
Final Result			Couple's Total Income: $35,000	$1,500 taxable

When Do I Pay What I Owe?

Each tax season, you will receive a Social Security benefit statement (Form SSA-1099) showing the payments you received in the prior year. Use it when you complete your federal income tax return to find out if any of your payments are taxable.

If your income puts you over the threshold, you may want to pay the tax throughout the year. If you wait until you file your return, the amount you owe includes the penalty.

You can have taxes withheld from your Social Security benefits by filing Form W-4V with the Social Security Administration.

Another option is to make quarterly estimated payments to the IRS using Form 1040-ES.

What about State Taxes?

As of 2026, eight states tax all or part of Social Security payments, while 42 states and the District of Columbia exempt them. To find out how your state taxes Social Security benefits, check out AARP's frequently asked question on which states tax and do not tax Social Security Payments at **aarp.org/social-security/faq/which-states-do-not-tax-benefits**..

Take Action!

- ❑ Plan for your retirement, estimate your benefits and find other 'Social Security services with a *my* Social Security account, available online at **ssa.gov**.
- ❑ Use AARP's Social Security calculator at **aarp.org/SSCalculator** for guidance on when to claim Social Security.
- ❑ ☐ Make a plan for your retirement. Be specific and set realistic goals to help make you plan attainable. Go to **aarp.org/money/retirement** for resources to help you plan, budget and save.
- ❑ Refer to IRS publication 915, "Social Security and Equivalent Retirement Benefits," for more information on whether your Social Security benefits may be subject to taxation. You can find it at **irs.gov**.

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