

2.A OASDI: Effect of Current Earnings and Taxation of Benefits

Table 2.A29—Earnings (retirement) test for years through 1999, by year enacted

| Year enacted | Effective year | Beneficiaries exempt | Earnings subject to test | Amount permitted without reduction in benefits (exempt amount) | | Reduction in monthly benefit ^a |
|--|----------------|----------------------|--------------------------|--|--------------------------------------|---|
| | | | | Annual earnings (dollars) | Monthly wages ^b (dollars) | |
| For all beneficiaries | | | | | | |
| 1935 | ... | ... | Covered | ... | ... | Full monthly benefit |
| 1939 | 1940 | ... | ... | ... | 14.99 | ... |
| 1950 | 1951 | Aged 75 or older | ... | ^c 600 | 50.00 | ... |
| 1952 | 1953 | ... | ... | ^c 900 | 75.00 | ... |
| 1954 | 1955 | Aged 72 or older | All ^d | 1,200 | 80.00 | One month's full benefit for each \$80.00 or fraction thereof |
| 1956 | 1958 | Disabled | ... | ... | ... | ... |
| 1958 | 1959 | ... | ... | ... | 100.00 | ... |
| 1960 | 1961 | ... | ... | ... | ... | \$1 for each \$2 of earnings from \$1,201–\$1,500 |
| | | | | | | \$1 for each \$1 of earnings above \$1,500 |
| 1961 | 1962 | ... | ... | ... | ... | \$1 for each \$2 of earnings from \$1,201–\$1,700 |
| | | | | | | \$1 for each \$1 of earnings above \$1,700 |
| 1965 | 1966 | ... | ... | 1,500 | 125.00 | \$1 for each \$2 of earnings from \$1,501–\$2,700 |
| | | | | | | \$1 for each \$1 of earnings above \$2,700 |
| 1967 | 1968 | ... | ... | 1,680 | 140.00 | \$1 for each \$2 of earnings from \$1,681–\$2,880 |
| | | | | | | \$1 for each \$1 of earnings above \$2,880 |
| 1972 | 1973 | ... | Up to age 72 | 2,100 | 175.00 | \$1 for each \$2 of earnings above \$2,100 |
| 1973 | 1974 | ... | ... | 2,400 | 200.00 | \$1 for each \$2 of earnings above \$2,400 |
| | 1975 | | | ^e 2,520 | ^e 210.00 | \$1 for each \$2 of earnings above \$2,520 |
| | 1976 | | | ^e 2,760 | ^e 230.00 | \$1 for each \$2 of earnings above \$2,760 |
| | 1977 | | | ^e 3,000 | ^e 250.00 | \$1 for each \$2 of earnings above \$3,000 |
| For beneficiaries who have not reached full retirement age ^f | | | | | | |
| 1977 | 1978 | ... | ... | ^e 3,240 | ^e 270.00 | \$1 for each \$2 of earnings above \$3,240 |
| | 1979 | | | ^e 3,480 | ^e 290.00 | \$1 for each \$2 of earnings above \$3,480 |
| | 1980 | | | ^e 3,720 | ^e 310.00 | \$1 for each \$2 of earnings above \$3,720 |
| | 1981 | | | ^e 4,080 | ^e 340.00 | \$1 for each \$2 of earnings above \$4,080 |
| | 1982 | | | ^e 4,440 | ^e 370.00 | \$1 for each \$2 of earnings above \$4,440 |
| | 1983 | | | ^e 4,920 | ^e 410.00 | \$1 for each \$2 of earnings above \$4,920 |
| | 1984 | | | ^e 5,160 | ^e 430.00 | \$1 for each \$2 of earnings above \$5,160 |
| | 1985 | | | ^e 5,400 | ^e 450.00 | \$1 for each \$2 of earnings above \$5,400 |
| | 1986 | | | ^e 5,760 | ^e 480.00 | \$1 for each \$2 of earnings above \$5,760 |
| | 1987 | | | ^e 6,000 | ^e 500.00 | \$1 for each \$2 of earnings above \$6,000 |
| | 1988 | | | ^e 6,120 | ^e 510.00 | \$1 for each \$2 of earnings above \$6,120 |
| | 1989 | | | ^e 6,480 | ^e 540.00 | \$1 for each \$2 of earnings above \$6,480 |
| | 1990 | | | ^e 6,840 | ^e 570.00 | \$1 for each \$2 of earnings above \$6,840 |
| | 1991 | | | ^e 7,080 | ^e 590.00 | \$1 for each \$2 of earnings above \$7,080 |
| | 1992 | | | ^e 7,440 | ^e 620.00 | \$1 for each \$2 of earnings above \$7,440 |
| | 1993 | | | ^e 7,680 | ^e 640.00 | \$1 for each \$2 of earnings above \$7,680 |
| | 1994 | | | ^e 8,040 | ^e 670.00 | \$1 for each \$2 of earnings above \$8,040 |
| | 1995 | | | ^e 8,160 | ^e 680.00 | \$1 for each \$2 of earnings above \$8,160 |
| | 1996 | | | ^e 8,280 | ^e 690.00 | \$1 for each \$2 of earnings above \$8,280 |
| | 1997 | | | ^e 8,640 | ^e 720.00 | \$1 for each \$2 of earnings above \$8,640 |
| | 1998 | | | ^e 9,120 | ^e 760.00 | \$1 for each \$2 of earnings above \$9,120 |
| | 1999 | | | ^e 9,600 | ^e 800.00 | \$1 for each \$2 of earnings above \$9,600 |

(Continued)

2.A OASDI: Effect of Current Earnings and Taxation of Benefits

Table 2.A29—Earnings (retirement) test for years through 1999, by year enacted—Continued

| Year enacted | Effective year | Beneficiaries exempt | Earnings subject to test | Amount permitted without reduction in benefits (exempt amount) | | Reduction in monthly benefit ^a |
|---|----------------|----------------------|--|--|--------------------------------------|--|
| | | | | Annual earnings (dollars) | Monthly wages ^b (dollars) | |
| <i>For beneficiaries who have reached full retirement age^f</i> | | | | | | |
| 1977 | 1978 | ... | ... | ^g 4,000 | ^g 333.33 | \$1 for each \$2 of earnings above \$4,000 |
| | 1979 | | | ^g 4,500 | ^g 375.00 | \$1 for each \$2 of earnings above \$4,500 |
| | 1980 | | | ^g 5,000 | ^g 416.66 | \$1 for each \$2 of earnings above \$5,000 |
| | 1981 | | | ^g 5,500 | ^g 458.33 | \$1 for each \$2 of earnings above \$5,500 |
| | 1982 | | | ^g 6,000 | ^g 500.00 | \$1 for each \$2 of earnings above \$6,000 |
| 1981 | 1983 | Aged 70 or older | Up to age 70 | ... | ... | ... |
| | 1983 | | | ^e 6,600 | ^e 550.00 | \$1 for each \$2 of earnings above \$6,600 |
| | 1984 | | | ^e 6,960 | ^e 580.00 | \$1 for each \$2 of earnings above \$6,960 |
| | 1985 | | | ^e 7,320 | ^e 610.00 | \$1 for each \$2 of earnings above \$7,320 |
| | 1986 | | | ^e 7,800 | ^e 650.00 | \$1 for each \$2 of earnings above \$7,800 |
| | 1987 | | | ^e 8,160 | ^e 680.00 | \$1 for each \$2 of earnings above \$8,160 |
| | 1988 | | | ^e 8,400 | ^e 700.00 | \$1 for each \$2 of earnings above \$8,400 |
| | 1989 | | | ^e 8,880 | ^e 740.00 | \$1 for each \$2 of earnings above \$8,880 |
| 1983 | 1990 | ... | ... | ... | ... | \$1 for each \$3 of earnings above exempt amount |
| | 1990 | | | ^e 9,360 | ^e 780.00 | \$1 for each \$3 of earnings above \$9,360 |
| | 1991 | | | ^e 9,720 | ^e 810.00 | \$1 for each \$3 of earnings above \$9,720 |
| | 1992 | | | ^e 10,200 | ^e 850.00 | \$1 for each \$3 of earnings above \$10,200 |
| | 1993 | | | ^e 10,560 | ^e 880.00 | \$1 for each \$3 of earnings above \$10,560 |
| | 1994 | | | ^e 11,160 | ^e 930.00 | \$1 for each \$3 of earnings above \$11,160 |
| | 1995 | | | ^e 11,280 | ^e 940.00 | \$1 for each \$3 of earnings above \$11,280 |
| 1996 | 1996 | ... | ... | 12,500 | ^h 1,041.67 | \$1 for each \$3 of earnings above \$12,500 |
| | 1997 | | | 13,500 | 1,125.00 | \$1 for each \$3 of earnings above \$13,500 |
| | 1998 | | | 14,500 | ⁱ 1,208.33 | \$1 for each \$3 of earnings above \$14,500 |
| | 1999 | | | 15,500 | ^j 1,291.67 | \$1 for each \$3 of earnings above \$15,500 |
| 2000 | 2000 | ... | Earnings test eliminated at full retirement age ^k | ... | ... | ... |

SOURCES: Social Security Act of 1935 (the Act), as amended through December 31, 2011; regulations issued under the Act; and precedential case decisions (rulings). Specific laws, regulations, rulings, legislation, and a link to the *Federal Register* can be found at the Social Security Program Rules page (<http://www.socialsecurity.gov/regulations/index.htm>).

NOTE: ... = not applicable.

- a. Earnings of a retired-worker beneficiary affect total monthly family benefit. Earnings of a dependent or survivor beneficiary affect only his or her benefit. However, effective January 1985, earnings of a retired-worker beneficiary do not affect the benefit to a divorced spouse who has been divorced at least 2 years. Effective for benefits after December 1990, the 2-year requirement is waived if the worker was entitled to benefits before the divorce.
- b. Monthly test for self-employment income is defined in terms of substantial services. For taxable years beginning after December 31, 1977, monthly test eliminated for wage and self-employment income except that each individual may use a monthly test for 1 grace year, usually the year of retirement.
- c. Applied to self-employment income only.
- d. Special provisions for earnings in noncovered employment outside the United States.
- e. Became effective because of automatic adjustment provisions mandated by legislation in 1972 and 1973.
- f. Full retirement age (FRA) is 65 for beneficiaries who attain age 62 (age 60 for widow(er)s) before 2000, gradually increasing to age 67 for beneficiaries who attain age 62 in 2022 or later.
- g. Discretionary increase included in legislation of 1977.
- h. Actual amount is \$1,041.66 2/3.
- i. Actual amount is \$1,208.33 1/3.
- j. Actual amount is \$1,291.66 2/3.
- k. Public Law (P.L.) 106-182, enacted April 7, 2000, eliminated the earnings test beginning with the month a beneficiary reaches FRA. The annual earnings test that applies in the year of attainment of FRA is based on the annual limits established under P.L. 104-121 (including the \$1 for \$3 withholding rate). In determining annual earnings for purposes of the annual earnings test under this legislation, only earnings before the month of attainment of FRA will be considered. P.L. 106-182 did not change the annual exempt amount for beneficiaries who are under FRA throughout the year, which continues to be pegged to increases in the average wage.

CONTACT: (410) 965-0090 or statistics@ssa.gov.

2.A OASDI: Effect of Current Earnings and Taxation of Benefits

Table 2.A29.1—Earnings (retirement) test for 2000–2012, by year enacted

| Year enacted | Effective year | Beneficiaries exempt | Earnings subject to test | Amount permitted without reduction in benefits (exempt amount) | | Reduction in monthly benefit ^a |
|--|----------------|----------------------|--|--|--------------------------------------|---|
| | | | | Annual earnings ^b (dollars) | Monthly wages ^c (dollars) | |
| For beneficiaries who have reached full retirement age ^d | | | | | | |
| 2000 | 2000 | ... | The earnings test no longer applies effective with the month of attainment of full retirement age. | ... | ... | ... |
| For beneficiaries who will not reach full retirement age during year ^d | | | | | | |
| 2000 | 2000 | ... | ... | 10,080 | 840 | \$1 for each \$2 of earnings above \$10,080 |
| | 2001 | | | 10,680 | 890 | \$1 for each \$2 of earnings above \$10,680 |
| | 2002 | | | 11,280 | 940 | \$1 for each \$2 of earnings above \$11,280 |
| | 2003 | | | 11,520 | 960 | \$1 for each \$2 of earnings above \$11,520 |
| | 2004 | | | 11,640 | 970 | \$1 for each \$2 of earnings above \$11,640 |
| | 2005 | | | 12,000 | 1,000 | \$1 for each \$2 of earnings above \$12,000 |
| | 2006 | | | 12,480 | 1,040 | \$1 for each \$2 of earnings above \$12,480 |
| | 2007 | | | 12,960 | 1,080 | \$1 for each \$2 of earnings above \$12,960 |
| | 2008 | | | 13,560 | 1,130 | \$1 for each \$2 of earnings above \$13,560 |
| | 2009 | | | 14,160 | 1,180 | \$1 for each \$2 of earnings above \$14,160 |
| | 2010 | | | 14,160 | 1,180 | \$1 for each \$2 of earnings above \$14,160 |
| | 2011 | | | 14,160 | 1,180 | \$1 for each \$2 of earnings above \$14,160 |
| | 2012 | | | 14,640 | 1,220 | \$1 for each \$2 of earnings above \$14,640 |
| For beneficiaries who will reach full retirement age during year ^d | | | | | | |
| 2000 | 2000 | ... | ... | 17,000 | ^e 1,416.67 | \$1 for each \$3 of earnings above \$17,000 |
| | 2001 | | | 25,000 | ^f 2,083.33 | \$1 for each \$3 of earnings above \$25,000 |
| | 2002 | | | 30,000 | 2,500.00 | \$1 for each \$3 of earnings above \$30,000 |
| | 2003 | | | 30,720 | 2,560.00 | \$1 for each \$3 of earnings above \$30,720 |
| | 2004 | | | 31,080 | 2,590.00 | \$1 for each \$3 of earnings above \$31,080 |
| | 2005 | | | 31,800 | 2,650.00 | \$1 for each \$3 of earnings above \$31,800 |
| | 2006 | | | 33,240 | 2,770.00 | \$1 for each \$3 of earnings above \$33,240 |
| | 2007 | | | 34,440 | 2,870.00 | \$1 for each \$3 of earnings above \$34,440 |
| | 2008 | | | 36,120 | 3,010.00 | \$1 for each \$3 of earnings above \$36,120 |
| | 2009 | | | 37,680 | 3,140.00 | \$1 for each \$3 of earnings above \$37,680 |
| | 2010 | | | 37,680 | 3,140.00 | \$1 for each \$3 of earnings above \$37,680 |
| | 2011 | | | 37,680 | 3,140.00 | \$1 for each \$3 of earnings above \$37,680 |
| | 2012 | | | 38,880 | 3,240.00 | \$1 for each \$3 of earnings above \$38,880 |

SOURCES: Social Security Act of 1935 (the Act), as amended through December 31, 2011; regulations issued under the Act; and precedential case decisions (rulings). Specific laws, regulations, rulings, legislation, and a link to the *Federal Register* can be found at the Social Security Program Rules page (<http://www.socialsecurity.gov/regulations/index.htm>). Social Security Administration, "Cost-of-Living Increase and Other Determinations for 2012," *Federal Register*, vol. 76, no. 206 (October 25, 2011).

NOTES: Public Law (P.L.) 106-182, enacted April 7, 2000, eliminated the earnings test beginning with the month a beneficiary reaches full retirement age (FRA). The annual earnings test that applies in the year of attainment of FRA is based on the annual limits established under P.L. 104-121 (including the \$1 for \$3 withholding rate). In determining annual earnings for purposes of the annual earnings test under this legislation, only earnings before the month of attainment of FRA will be considered. P.L. 106-182 did not change the annual exempt amount for beneficiaries who are under FRA throughout the year, which continues to be pegged to increases in the average wage.

... = not applicable.

- Earnings of a retired-worker beneficiary affect total monthly family benefit. Earnings of a dependent or survivor beneficiary affect only his or her benefit. However, earnings of a retired-worker beneficiary do not affect the benefit to a divorced spouse who has been divorced at least 2 years. The 2-year requirement is waived if the worker was entitled to benefits before the divorce.
- Automatic adjustment provisions and legislative history of the earnings test are in Table 2.A18.
- Monthly test for self-employment income is defined in terms of substantial services. Each individual may use a monthly test for 1 grace year, usually the year of retirement.
- Full retirement age is 65 for beneficiaries who attain age 62 (age 60 for widow(er)s) before 2000, gradually increasing to age 67 for beneficiaries who attain age 62 in 2022 or later. See Table 2.A17.1 for the FRA by year of birth.
- Actual amount is \$1,416.66 2/3.
- Actual amount is \$2,083.33 1/3.

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2.A OASDI: Effect of Current Earnings and Taxation of Benefits

Table 2.A30—Monthly earnings guidelines for substantial gainful activity, 1961–2012 (in dollars)

| Year | Nonblind beneficiaries ^a | | Blind beneficiaries ^b |
|-------------------|-------------------------------------|---------|----------------------------------|
| | Minimum | Maximum | |
| 1961–1965 | 50 | 100 | c |
| 1966–June 1968 | 75 | 125 | c |
| July 1968–1973 | 90 | 140 | c |
| 1974–1975 | 130 | 200 | c |
| 1976 | 150 | 230 | c |
| 1977 | 160 | 240 | c |
| 1978 | 170 | 260 | 334 |
| 1979 | 180 | 280 | 375 |
| 1980 | 190 | 300 | 417 |
| 1981 | 190 | 300 | 459 |
| 1982 | 190 | 300 | 500 |
| 1983–1989 | 190 | 300 | d |
| 1990 | 300 | 500 | 780 |
| 1991 | 300 | 500 | 810 |
| 1992 | 300 | 500 | 850 |
| 1993 | 300 | 500 | 880 |
| 1994 | 300 | 500 | 930 |
| 1995 | 300 | 500 | 940 |
| 1996 | 300 | 500 | 960 |
| 1997 | 300 | 500 | 1,000 |
| 1998 | 300 | 500 | 1,050 |
| January–June 1999 | 300 | 500 | 1,110 |
| July 1999 | 300 | 700 | 1,110 |
| January 2000 | 300 | 700 | 1,170 |
| January 2001 | Discontinued | 740 | 1,240 |
| January 2002 | ... | 780 | 1,300 |
| January 2003 | ... | 800 | 1,330 |
| January 2004 | ... | 810 | 1,350 |
| January 2005 | ... | 830 | 1,380 |
| January 2006 | ... | 860 | 1,450 |
| January 2007 | ... | 900 | 1,500 |
| January 2008 | ... | 940 | 1,570 |
| January 2009 | ... | 980 | 1,640 |
| January 2010 | ... | 1,000 | 1,640 |
| January 2011 | ... | 1,000 | 1,640 |
| January 2012 | ... | 1,010 | 1,690 |

SOURCES: Social Security Act of 1935 (the Act), as amended through December 31, 2011; regulations issued under the Act; and precedential case decisions (rulings). Specific laws, regulations, rulings, legislation, and a link to the *Federal Register* can be found at the Social Security Program Rules page (<http://www.socialsecurity.gov/regulations/index.htm>). Social Security Administration, "Cost-of-Living Increase and Other Determinations for 2012," *Federal Register*, vol. 76, no. 206 (October 25, 2011).

NOTES: Earnings are net of any wage subsidies and impairment-related expenses.

The guidelines for substantial gainful activity (SGA) for self-employed individuals differ from the guidelines for wage earners.

Self-employment activity is generally examined in terms of time spent and degree of effort, as compared with that of nondisabled self-employed individuals.

... = not applicable.

- a. Earnings above the maximum amount ordinarily demonstrate SGA; earnings below the minimum amount show that SGA has not occurred. When earnings are between the minimum and maximum, other factors are considered.
- b. The amendments in 1977 provided that, effective 1978, earnings of blind beneficiaries would be evaluated under different SGA guidelines from those of nonblind beneficiaries.
- c. Pre-1978 guidelines are the same as those for nonblind beneficiaries.
- d. Annual amounts were determined by automatic adjustments linked to increases in average wage level. The amounts equal the monthly exempt amounts under the earnings test applicable to beneficiaries who have reached full retirement age (see Table 2.A29 for the amounts for 1983–1995).

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2.A OASDI: Effect of Current Earnings and Taxation of Benefits

Table 2.A31—Taxation of Social Security benefits

| Year enacted | Individuals or couples with income exceeding (dollars)— | Benefits included in gross income | Effective for taxable years— |
|---|---|---|-----------------------------------|
| Married filing jointly | | | |
| 1983 | 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 December 31, 1983 |
| 1993 | 32,000 but not 44,000 | Lesser of one-half of Social Security and Tier 1 Railroad Retirement benefits or one-half of income over \$32,000 | Beginning after December 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 | Beginning after December 31, 1993 |
| Married filing separate returns ^a | | | |
| 1983 | 0 | Lesser of one-half of Social Security and Tier 1 Railroad Retirement benefits or one-half of income | Ending after December 31, 1983 |
| 1993 | 0 | Lesser of 85 percent of Social Security and Tier 1 Railroad Retirement benefits or 85 percent of income | Beginning after December 31, 1993 |
| Individuals in all other filing categories | | | |
| 1983 | 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 December 31, 1983 |
| 1993 | 25,000 but not 34,000 | Lesser of one-half of Social Security and Tier 1 Railroad Retirement benefits or one-half of income over \$25,000 | Beginning after December 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 | Beginning after December 31, 1993 |

SOURCES: Social Security Act of 1935 (the Act), as amended through December 31, 2011; regulations issued under the Act; and precedential case decisions (rulings). Specific laws, regulations, rulings, legislation, and a link to the *Federal Register* can be found at the Social Security Program Rules page (<http://www.socialsecurity.gov/regulations/index.htm>). Taxation of Social Security benefits is governed by the Internal Revenue Service Code. IRS describes the rules governing taxation of Social Security benefits in IRS publication 915, available at <http://www.irs.gov/pub/irs-pdf/p915.pdf>.

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.

a. 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.

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2.A OASDI: Effect of Current Earnings and Taxation of Benefits

Table 2.A32—Taxation of Social Security benefits: Examples (in dollars)

| Modified adjusted gross income ^a | Amount of benefits ^b | One-half of benefits ^b | Income to be compared with base amount | Relevant base amount ^c | Income in excess of base amount | One-half of excess | 85 percent of excess income | Lower of one-half of benefits, or one-half of income between upper and lower base amounts | 85 percent of benefits | Taxable benefits included in gross income | |
|---|---------------------------------|-----------------------------------|--|-----------------------------------|---------------------------------|--------------------|-----------------------------|---|------------------------|---|--|
| | | | | | | | | | | If income does not exceed upper base amount—lessor of one-half of benefits or one-half of income over base amount (K = lesser of C or G) | If income exceeds upper base amount—lessor of 85 percent of benefits or one-half of income between base amounts plus 85 percent of income over upper base amount (L = lesser of J or I + H) |
| (A) | (B) | (C) | (D = A + C) | (E) | (F = D - E) | (G = F / 2) | (H = .85 F) | (I) | (J = .85 B) | (K) | (L) |
| Married filing jointly | | | | | | | | | | | |
| 25,000 | 10,000 | 5,000 | 30,000 | 32,000 | 0 | ... | ... | ... | ... | ... | ... |
| 28,000 | 10,000 | 5,000 | 33,000 | 32,000 | 1,000 | 500 | ... | ... | ... | 500 | ... |
| 33,000 | 10,000 | 5,000 | 38,000 | 32,000 | 6,000 | 3,000 | ... | ... | ... | 3,000 | ... |
| 38,000 | 10,000 | 5,000 | 43,000 | 32,000 | 11,000 | 5,500 | ... | ... | ... | 5,000 | ... |
| 40,000 | 10,000 | 5,000 | 45,000 | 44,000 | 1,000 | ... | 850 | 5,000 | 8,500 | ... | 5,850 |
| 43,000 | 10,000 | 5,000 | 48,000 | 44,000 | 4,000 | ... | 3,400 | 5,000 | 8,500 | ... | 8,400 |
| 45,000 | 10,000 | 5,000 | 50,000 | 44,000 | 6,000 | ... | 5,100 | 5,000 | 8,500 | ... | 8,500 |
| Married filing separate returns ^d | | | | | | | | | | | |
| 0 | 6,000 | 3,000 | 3,000 | 0 | 3,000 | ... | 2,550 | 0 | 5,100 | ... | 2,550 |
| 2,000 | 6,000 | 3,000 | 5,000 | 0 | 5,000 | ... | 4,250 | 0 | 5,100 | ... | 4,250 |
| 4,000 | 6,000 | 3,000 | 7,000 | 0 | 7,000 | ... | 5,950 | 0 | 5,100 | ... | 5,100 |
| 10,000 | 6,000 | 3,000 | 13,000 | 0 | 13,000 | ... | 11,050 | 0 | 5,100 | ... | 5,100 |
| 20,000 | 6,000 | 3,000 | 23,000 | 0 | 23,000 | ... | 19,550 | 0 | 5,100 | ... | 5,100 |
| Individuals in all other filing categories | | | | | | | | | | | |
| 20,000 | 8,000 | 4,000 | 24,000 | 25,000 | 0 | ... | ... | ... | ... | ... | ... |
| 25,000 | 8,000 | 4,000 | 29,000 | 25,000 | 4,000 | 2,000 | ... | ... | ... | 2,000 | ... |
| 30,000 | 8,000 | 4,000 | 34,000 | 25,000 | 9,000 | 4,500 | ... | ... | ... | 4,000 | ... |
| 32,000 | 8,000 | 4,000 | 36,000 | 34,000 | 2,000 | ... | 1,700 | 4,000 | 6,800 | ... | 5,700 |
| 35,000 | 8,000 | 4,000 | 39,000 | 34,000 | 5,000 | ... | 4,250 | 4,000 | 6,800 | ... | 6,800 |
| 40,000 | 8,000 | 4,000 | 44,000 | 34,000 | 10,000 | ... | 8,500 | 4,000 | 6,800 | ... | 6,800 |

SOURCES: Social Security Act of 1935 (the Act), as amended through December 31, 2011; regulations issued under the Act; and precedential case decisions (rulings). Specific laws, regulations, rulings, legislation, and a link to the *Federal Register* can be found at the Social Security Program Rules page (<http://www.socialsecurity.gov/regulations/index.htm>). Taxation of Social Security benefits is governed by the Internal Revenue Service Code. IRS describes the rules governing taxation of Social Security benefits in IRS publication 915, available at <http://www.irs.gov/pub/irs-pdf/p915.pdf>.

NOTE: ... = not applicable.

- a. 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.
- b. Social Security and Tier 1 Railroad Retirement benefits, including workers' compensation benefits to the extent they cause a reduction in either of these two types of benefits.
- c. For married couples filing joint returns, up to 50 percent of benefits are subject to income tax if gross income is more than \$32,000 but less than \$44,000. If gross income is less than \$32,000, none of the Social Security benefits will be taxable. If gross income exceeds \$44,000, up to 85 percent of Social Security benefits will be taxable income. Similar lower and upper level thresholds or "base amounts" for single individuals are \$25,000 and \$34,000. There is no similar threshold or base amount for married individuals who live together but file separate returns (for example, up to 85 percent of Social Security benefits in those cases may be considered taxable income).
- d. 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.

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