Are Social Security benefits subject to federal income taxation?

Social Security retirement, survivor, and disability benefits may be subject to federal income taxes in some cases. The person who has the legal right to receive the benefits must determine if the benefits are taxable. For example, if a parent and child both receive benefits, but the payment for the child is made to the parent’s account, the parent must use only the parent’s portion of the benefits in figuring if benefits are taxable. The portion of the benefits that belongs to the child must be added to the child’s other income to see if any of those benefits are taxable.

If the only income a person receives is Social Security benefits, the benefits generally are not taxable and he probably does not need to file a tax return. However, if a person has other income in addition to benefits, he may have to file a return (even if none of the benefits are taxable).

If the total of a person’s income plus half of his or her benefits is more than the *base amount*, some of the benefits are taxable. Included in the person’s total income is any tax-exempt interest income, excludable interest from United States savings bonds, and excludable income earned in a foreign country, United States possession, or Puerto Rico. [[1]](#footnote-1)

Voluntary federal income tax withholding is allowed on Social Security benefits. Recipients may submit a Form W-4V if they want federal income tax withheld from their benefits. Beneficiaries are able to choose withholding at 7 percent, 10 percent, 15 percent, or 25 percent of their total benefit payment.

1. IRC Sec. 86. [↑](#footnote-ref-1)