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HOW TO REPORT YOUR SOCIAL SECURITY BENEFITS - 10 TIPS

By Victor Sy, CPA

Here are 10 tips on how to **determine and report your social security benefits**:

1. Start with Form SSA-1099 that was mailed to you by the Social Security Administration in January.
2. Box 5 of SSA-1099 shows your benefits.
3. How much of your Social Security benefits are taxable depends on your total income and marital status.
4. If Social Security benefits were your only source of income, your benefits are not taxable and you probably do not need to file a federal income tax return.
5. If you received income from other sources, your benefits will not be taxed unless your modified adjusted gross income is more than the base amount for your filing status.
6. Your taxable benefits and modified adjusted gross income are figured on a worksheet in the Form 1040A or Form 1040 Instruction booklet.
7. You can determine whether some of your benefits may be taxable:
 - First, add one-half of the total Social Security benefits you received to all your other income, including any tax exempt interest and other exclusions from income.
 - Then, compare this total to the base amount for your filing status. If the total is more than your base amount, some of your benefits may be taxable.
8. The 2011 base amounts are:
 - \$32,000 for married couples filing jointly.
 - \$25,000 for single, head of household, qualifying widow/widower with a dependent child, or married individuals filing separately who did not live with their spouses at any time during the year.
 - \$0 for married persons filing separately and who lived together during the year.
9. For additional information on the taxability of Social Security benefits, see IRS Publication 915, Social Security and Equivalent Railroad Retirement Benefits. Publication 915 is available on this website or by calling 800-TAX-FORM (800-829-3676).
10. Go to our website at www.victorsycpa.com for more tips on:
 - Basics of Social Security and Medicare
 - Are you covered with Social Security benefits?
 - When is the best time to receive Social Security benefits?