

## Social Security & Taxes: What You Need to Know in 2025

August 5, 2025

Despite promises to make Social Security benefits tax-free, **federal income tax rules remain unchanged** under the OBBB (Opportunity for a Better Budget Bill). Here's a quick breakdown:

### Who Pays Federal Tax on Social Security?

- **Not taxed:** If Social Security is your only or main income.
- **Taxed:** If you have other income, up to:
  - **50% of benefits** taxed if your provisional income is moderate.
  - **85% of benefits** taxed if your provisional income is high.

### What Is Provisional Income?

It includes:

1. Tax-exempt interest
2. 50% of your Social Security benefits
3. Other income (wages, dividends, etc.)

### Tax Thresholds

Filing Status	Tax-Free If Provisional Income Is...	50% Taxed	85% Taxed
Single	Less than \$25,000	\$25,000–\$34,000	Over \$34,000
Joint	Less than \$32,000	\$32,000–\$44,000	Over \$44,000

Use **Box 5 of Form SSA-1099** to find your total annual Social Security benefits (before Medicare deductions).

### Want Taxes Withheld?

Fill out **Form W-4V** to have 7%, 10%, 12%, or 22% withheld from your monthly benefits.

