



# Social Security Facts and 2023 Figures

## **Income limits before Social Security is taxed:**

- Income plus 1/2 of Social Security \$32,000 - 44,000 (MFJ) , \$25,000-34,000 (Single)
- 50% of S/S taxed between lower and upper limit, 85% taxed over upper limit
- must include pensions, wages, interest, tax free interest, cap gains, old dividends
- If MFJ all taxable income for both taxpayer and spouse is included

## **Earning limits before Social Security benefits are reduced (only applies if you retire under full retirement age (FRA):**

- before FRA \$1 of benefits reduced \$1 for every \$2 earned over \$21,240
- the year of FRA \$1 of benefits reduced for every \$3 earned over \$56,520
- at FRA no limits on income (although S/S will still be taxes as stated above)
- Spouses income is not included in limits of the other
- Income **included** is earned income only such as bonuses, commissions, W-2's, Self-Employment income and Long Term Disability.
- Income **excluded** is Workman's comp, unemployment, rental income (passive), annuity payment, pension income, distributions from retirement funds, alimony, capital gains, interest income, stocks and bonds int, military retirement benefits, non-deferred retirement plans

## **Full Retirement Age:**

Full retirement age for anyone born in 1960 or later is 67. Anyone born from 1943 to 1954 it is 66. Born after 1954 you will add 2 months for every year after 1954. Example: if you were born in 1958 your FRA is 66 and 8 months. At FRA you have no limits on earned income, but benefits being taxed does not change.

**Max Wages Subject to Social Security:** \$160,200