



## Tax Item. Worksheets to Figure Taxable Social Security and Equivalent Railroad Retirement Benefits

This item is available on Internet or by fax only.

- Which Worksheet Use**      **to**      Worksheet 1 is the general worksheet. It is on pages 1 and 2, and it is all you need unless either:
- 1** You contributed to an individual retirement arrangement (IRA), and your IRA deduction is limited because you or your spouse is covered by a retirement plan at work. In that case you *must* use the special worksheets in Appendix B of **Publication 590, Individual Retirement Arrangements (IRAs) (Including SEP-IRAs and SIMPLE IRAs)**, to figure both your IRA deduction and your taxable benefits.
  - 2** You received a lump-sum payment for an earlier year. In that case first complete Worksheet 1. Your tax may be lower if you also use Worksheets 2 or 3 and Worksheet 4 (on pages 3-5) to figure your taxable benefits.

<b>Worksheet 1. Taxable Social Security and Equivalent Railroad Retirement Benefits</b>		
<p><b>Before you start:</b> Is your filing status <i>Married filing separately</i>?</p> <p><b>No.</b> Go to question 1.</p> <p><b>Yes.</b> Did you live apart from your spouse all year?</p> <p><b>No.</b> Go to question 1.</p> <p><b>Yes.</b> Do the following if you file:</p> <p style="padding-left: 20px;"><b>Form 1040:</b> Enter "D" to the left of line 20a, then go to question 1.</p> <p style="padding-left: 20px;"><b>Form 1040A:</b> Enter "D" to the left of line 13a, then go to question 1.</p>		
1	Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099. <i>If line 1 is zero or less, stop here; none of your benefits are taxable. Otherwise, go to line 2.</i>	1
2	Enter one-half of line 1.	2
3	Enter the total of the amounts from: <b>Form 1040:</b> Lines 7, 8a, 8b, 9-14, 15b, 16b, 17-19, and 21. <b>Form 1040A:</b> Lines 7, 8a, 8b, 9, 10b, 11b, and 12.	3
4	<p><b>Form 1040 filers:</b> Enter the total of any exclusions/adjustments for:</p> <ul style="list-style-type: none"> <li>o Series EE U.S. savings bond interest (Form 8815, line 14),</li> <li>o Adoption benefits (Form 8839, line 22),</li> <li>o Foreign earned income or housing (Form 2555, lines 43 and 48, or Form 2555-EZ, line 18), and</li> <li>o Certain income of bona fide residents of American Samoa (Form 4563, line 15) or Puerto Rico.</li> </ul> <p><b>Form 1040A filers:</b> Enter any exclusion for Series EE U.S. savings bond interest (Form 8815, line 14) or for adoption benefits (Form 8839, line 22).</p>	4
5	Add lines 2, 3, and 4.	5
6	Enter the amount from Form 1040, line 31, or from Form 1040A, line 15c.	6
7	Subtract line 6 from line 5.	7

8	Enter \$25,000 (\$32,000 if married filing jointly; \$0 if married filing separately and you lived with your spouse at any time during 1997).	8	
9	Subtract line 8 from line 7. If zero or less, enter -0- <i>If line 9 is zero or less, stop here; none of your benefits are taxable. Do not enter any amounts on Form 1040, line 20a or 20b, or on Form 1040A, line 13a or 13b. (But if you are married filing separately and you lived apart from your spouse for all of 1997, enter -0- on Form 1040, line 20b, or on Form 1040A, line 13b.)</i> <i>If line 9 is more than zero, go to line 10.</i>	9	
10	Enter \$9,000 (\$12,000 if married filing jointly; \$0 if married filing separately and you lived with your spouse at any time during 1997).	10	
11	Subtract line 10 from line 9. If zero or less, enter -0-	11	
12	Enter the <b>smaller</b> of line 9 or line 10.	12	
13	Enter one-half of line 12.	13	
14	Enter the <b>smaller</b> of line 2 or line 13.	14	
15	Multiply line 11 by 85% (.85). If line 11 is zero, enter -0-	15	
16	Add lines 14 and 15.	16	
17	Multiply line 1 by 85% (.85).	17	
18	<b>Taxable benefits.</b> Enter the <b>smaller</b> of line 16 or line 17.	18	

- Enter the amount from line 1 above on Form 1040, line 20a, or on Form 1040A, line 13a.
- Enter the amount from line 18 above on Form 1040, line 20b, or on Form 1040A, line 13b.

*If you received a lump-sum payment in this year that was for an earlier year, also complete Worksheet 2 or 3 and Worksheet 4 to see whether you can report a lower taxable benefit. The worksheets are on pages 3-5.*

**Worksheet 2. Lump-Sum Payment for a Year After 1993, Received in 1997**

Enter earlier year: \_\_\_\_\_ (Use With Worksheet 4)

1	Enter the total you received for the earlier year. This is the total from box 5 of ALL your old Forms SSA-1099 and RRB-1099 from the earlier year, plus any lump sums you later received for that year. <i>If line 1 is zero or less, skip lines 2 through 20 and enter -0- on line 21. Otherwise, go to line 2.</i> <b>To Get Breakdown of Benefits by Year.</b> If your Form SSA-1099 or RRB-1099 does not identify, by year, all the benefits you received in 1997 for earlier years: <u>For Form SSA-1099 either:</u> call the Social Security Administration (SSA) at 1 (800) - 772-1213; or visit your local SSA office. <u>For Form RRB-1099:</u> Write to U.S. Railroad Retirement Board; Attn: BTRS -- 11th Floor; 844 Rush Street; Chicago, IL 60611-2092.	1
2	Enter one-half of line 1.	2
3	Enter the adjusted gross income reported on your return for the earlier year.	3
4	Enter the total of any exclusions/adjustments you claimed in the earlier year for Series EE U.S. savings bond interest (Form 8815), foreign earned income or housing (Form 2555 or Form 2555-EZ), and certain income of bona fide residents of American Samoa (Form 4563) or Puerto Rico.	4
5	Enter any tax-exempt interest received in the earlier year.	5
6	Add lines 2, 3, 4, and 5.	6
7	Enter taxable benefits reported on your return for the earlier year.	7
8	Subtract line 7 from line 6.	8
9	Enter \$25,000 (\$32,000 if married filing jointly for the earlier year; \$0 if married filing separately for the earlier year and you lived with your spouse at any time during the year).	9
10	Subtract line 9 from line 8. <i>If line 10 is zero or less, skip lines 11 through 20 and enter -0- on line 21. Otherwise, go to line 11.</i>	10
11	Enter \$9,000 (\$12,000 if married filing jointly for the earlier year; \$0 if married filing separately for the earlier year and you lived with your spouse at any time during the year).	11
12	Subtract line 11 from line 10. If zero or less, enter -0-	12
13	Enter the <b>smaller</b> of line 10 or line 11.	13
14	Enter one-half of line 13.	14
15	Enter the <b>smaller</b> of line 2 or line 14.	15
16	Multiply line 12 by 85% (.85). If line 12 is zero, enter -0-	16
17	Add lines 15 and 16.	17
18	Multiply line 1 by 85% (.85).	18
19	<b>Refigured taxable benefits.</b> Enter the <b>smaller</b> of line 17 or line 18.	19
20	Enter taxable benefits reported on your return for the earlier year (or as refigured due to a previous lump-sum payment for the year).	20
21	<b>Additional taxable benefits.</b> Subtract line 20 from line 19. Also enter this amount on line 19 of Worksheet 4.	21

*Do not file an amended return for this earlier year. Complete a separate Worksheet 2 or Worksheet 3 for each earlier year for which you received a lump-sum payment in 1997.*

**Worksheet 3. Lump-Sum Payment Received in 1997 for 1993 or Earlier Year**

Enter earlier year: \_\_\_\_\_ (Use With Worksheet 4)

1	Enter the total you received for the earlier year. This is the total from box 5 of ALL your old Forms SSA-1099 and RRB-1099 from the earlier year, plus any lump sums you later received for that year. <i>If line 1 is zero or less, skip lines 2 through 13 and enter -0- on line 14. Otherwise, go to line 2.</i> <b>To Get Breakdown of Benefits by Year.</b> The part of a lump-sum payment for years before 1984 is not taxed and is not shown on Form SSA-1099 or RRB-1099. If your Form SSA-1099 or RRB-1099 does not identify, by year, all the benefits you received in 1997 for earlier years after 1983: <u>For Form SSA-1099 either:</u> o Call the Social Security Administration (SSA) at: 1 (800) - 772-1213; or o Visit your local SSA office. <u>For Form RRB-1099:</u> o Write to: U.S. Railroad Retirement Board Attn: BTRS -- 11th Floor 844 Rush Street Chicago, IL 60611-2092	1
2	Enter one-half of line 1.	2
3	Enter the adjusted gross income reported on your return for the earlier year.	3
4	Enter the total of any exclusions/adjustments you claimed in the earlier year for Series EE U.S. savings bond interest (Form 8815), foreign earned income or housing (Form 2555 or 2555-EZ), and certain income of bona fide residents of American Samoa (Form 4563) or Puerto Rico.	4
5	Enter any tax-exempt interest received in the earlier year.	5
6	Add lines 2, 3, 4, and 5.	6
7	Enter the taxable benefits reported on your return for the earlier year.	7
8	Subtract line 7 from line 6.	8
9	Enter \$25,000 (\$32,000 if married filing jointly for the earlier year; \$0 if married filing separately during the earlier year and you lived with your spouse at any time during the year).	9
10	Subtract line 9 from line 8. <i>If line 10 is zero or less, skip lines 11 through 13 and enter -0- on line 14. Otherwise, go to line 11.</i>	10
11	Enter one-half of line 10.	11
12	<b>Refigured taxable benefits.</b> Enter the <b>smaller</b> of line 2 or line 11.	12
13	Enter taxable benefits reported on your return for the earlier year (or as refigured due to a previous lump-sum payment for that year).	13
14	<b>Additional taxable benefits.</b> Subtract line 13 from line 12. Also enter this amount on line 19 of Worksheet 4.	14

*Do not file an amended return for this earlier year. Complete a separate Worksheet 2 or Worksheet 3 for each earlier year for which you received a lump-sum payment in 1997.*

### Worksheet 4. Lump-Sum Election Method

*Complete Worksheet 1 and Worksheets 2 and 3 as appropriate before completing this worksheet.*

1 Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099, minus the lump-sum payment for years before 1997. <i>If line 1 is zero or less, enter zero on lines 2 and 11 and skip lines 3 through 10. Otherwise, go to line 2.</i>	1	
2 Enter one-half of line 1.	2	
3 Enter the amount from line 3 of Worksheet 1.	3	
4 Enter the amount from line 4 of Worksheet 1.	4	
5 Add lines 2, 3, and 4.	5	
6 Enter the amount from line 6 of Worksheet 1.	6	
7 Subtract line 6 from line 5.	7	
8 Enter the amount from line 8 of Worksheet 1.	8	
9 Subtract line 8 from line 7. If zero or less, enter -0- <i>If line 9 is zero or less, skip lines 10 through 17 and enter -0- on line 18. Otherwise, go to line 10.</i>	9	
10 Enter the amount from line 10 of Worksheet 1.	10	
11 Subtract line 10 from line 9. If zero or less, enter -0-	11	
12 Enter the <b>smaller</b> of line 9 or line 10.	12	
13 Enter one-half of line 12.	13	
14 Enter the <b>smaller</b> of line 2 or line 13.	14	
15 Multiply line 11 by 85% (.85). If line 11 is zero, enter -0-	15	
16 Add lines 14 and 15.	16	
17 Multiply line 1 by 85% (.85)	17	
18 Enter the <b>smaller</b> of line 16 or line 17.	18	
19 Enter the total of the amounts from line 21 of Worksheet 2 and line 14 of Worksheet 3 for all earlier years for which the lump-sum payment was received.	19	
20 <b>Taxable benefits under lump-sum election method.</b> Add lines 18 and 19. <i>If line 20 is at least as much as line 18 of Worksheet 1, do not use this method to figure your taxable benefits. Instead, follow the instructions on Worksheet 1 to report your benefits.</i>	20	

You can choose to report your taxable benefits under this method if line 20 above is smaller than line 18 of Worksheet 1. To choose this method:

- o Make the following entry on your return -- On **Form 1040** enter "LSE" to the left of line 20a.  
-- On **Form 1040A** enter "LSE" to the left of line 13a.
- o Enter the line 1 amount from Worksheet 1 on Form 1040, line 20a, or on Form 1040A, line 13a. If you are married filing separately and lived apart from your spouse for all of 1997, also enter "D" to the left of that line.
- o If line 20 above is:
  - more than zero, enter the amount from line 20 above on Form 1040, line 20b, or on Form 1040A, line 13b.
  - zero, none of your benefits are taxable. Do not enter any amount on Form 1040, line 20b, or on Form 1040A, line 13b, unless you are married filing separately and you lived apart from your spouse for all of 1997. In that case, enter -0- on Form 1040, line 20b, or on Form 1040A, line 13b.