



CARDINAL ADVISORS

How Federal Income Tax is Applied to Social Security

Hans and Tom discuss Social Security in the video titled "How Federal Income Tax is Applied to Social Security"



S.S.
☐

MED
☐

LTC
☐

401K/
IRA
☐

HOW FEDERAL INCOME TAX IS APPLIED TO SOCIAL SECURITY

PROVISIONAL INCOME = AGI $\rightarrow$ MAGI + $\frac{1}{2}$ SS BENEFITS

COUPLE EXAMPLE

MAGI = 40,000
SS(2) = 60,000
SS@ $\frac{1}{2}$ = 30,000
PROVISIONAL INCOME = 70,000

SINGLE EXAMPLE

MAGI = 20,000
SS = 30,000
SS@ $\frac{1}{2}$ = 15,000
PROVISIONAL INCOME = 35,000

THRESHOLDS 0%/50%/85%

	BASE AMOUNT
SINGLE	25,000
MARRIED/JOINT	32,000

85% THRESHOLD

34,000
44,000

INCOME
☐

ESTATE
☐

TAXES
☐

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Nov. 2025

Form

1040

Department of the Treasury—Internal Revenue Service

OBBBA Tax Forecast

2025

OMB No. 1545-0074

IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2025, or other tax year beginning

ending

See separate instructions.

Your first name and middle initial

Last name

Your social security number

001-01-0001

If joint return, spouse's first name and middle initial

Last name

Spouse's social security number

001-01-0002

Home address (number and street). If you have a P.O. box, see instructions.

Apt. no.

Presidential Election Campaign

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.

☐ You

☐ Spouse

Filing Status

Check only one box

☐ Single

☒ Married filing jointly

☐ Married filing separately (MFS)

☐ Qualifying Surviving Spouse (QSS)

If you checked the MFS box, enter the name of spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent.

☐ If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required):

Head of Household (HOH)

Digital Assets

At any time during 2025, did you (a) receive (as a reward, award, or payment for property or service); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.)

☐ Yes

☐ No

Standard Deduction

Someone can claim:

☐ You as a dependent

☐ Your spouse as a dependent

☐ Spouse itemizes on a separate return or you were a dual-status alien

Age / Blindness

You: ☒ Were born before January 2, 1961 ☐ Are blind

Spouse: ☒ Was born before January 2, 1961 ☐ Is blind

Dependents

If more than four dependents, see instructions and check here ☐

(see instructions):

(1) First name Last name

(2) Social security number

(3) Relationship to you

(4) Check the box if qualifies for (see instructions):

Child tax credit

Credit for other dependents

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a Form W-2, see instructions.

Attach Sch. B if required.

Standard Deduction for --

• Single or married filing separately \$15,750

• Married filing jointly or Qualifying surviving spouse \$31,500

• Head of house \$23,625

• If you checked any Standard Deduction box, see instructions.

1 a Total amount from Form(s) W-2, box 1 (see instructions)

1 b Household employee wages not reported on Form(s) W-2

1 c Tip income not reported on line 1a (see instructions)

1 d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)

1 e Taxable dependent care benefits from Form 2441, line 26

1 f Employer provided adoption benefits from Form 8839, line 29

1 g Wages from Form 8919, line 6

1 h Other earned income (see instructions)

1 i Nontaxable combat pay election (see instructions)

1 z Add lines 1a through 1h

2 a Tax-exempt interest

3 a Qualified dividends

4 a IRA distributions

5 a Pensions and annuities

6 a Social security benefits

7 Capital gain or (loss). Attach Schedule D if required. If not required, check here

8 Other income from Schedule 1, line 10

9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income

10 Adjustments to income from Schedule 1, line 26

11 Subtract line 10 from line 9. This is your adjusted gross income

12 Standard deduction or itemized deductions (from Schedule A)

13a Qualified business income deduction from Form 8995 or Form 8995-A

13b Additional OBBBA 'below-the-line' deductions (see worksheets at right)

14 Add lines 12, 13a, and 13b

15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income

1 a 0

1 b 0

1 c 0

1 d 0

1 e 0

1 f 0

1 g 0

1 h 0

1 i 0

1 z 0

2 a 0

3 a 0

4 a 40,000

5 a 0

6 a 60,000

7 0

8 0

9 68,100

10 0

11 68,100

12 34,700

13a 0

13b 12,000

14 46,700

15 21,400

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11320B

Form 1040 (2025)

Tax and Credits	16	Tax (see instructions). Check if any from Form(s): 1 ☐ 8814 2 ☐ 4972 3 ☐ . . .	16	2,143	
	17	Amount from Schedule 2, line 3	17		
	18	Add lines 16 and 17	18	2,143	
	19	Child tax credit or credit for other dependents from Schedule 8812	19	0	
	20	Amount from Schedule 3, line 8	20	0	
	21	Add lines 19 and 20	21	0	
	22	Subtract line 21 from line 18. If zero or less, enter -0-	22	2,143	
	23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	0	
24	Add lines 22 and 23. This is your total tax	24	2,143		
Payments	25	Federal income tax withheld from:			
	a	Form(s) W-2	25a	0	
	b	Form(s) 1099	25b	0	
	c	Other forms (see instructions)	25c	0	
	d	Add lines 25a through 25c	25d	0	
	26	2025 estimated tax payments and amount applied from 2024 return	26		
	27	Earned income credit (EIC)	27	0	
	28	Additional child tax credit from Schedule 8812	28	0	
	29	American opportunity credit from Form 8863, line 8	29		
	30	Reserved for future use	30		
31	Amount from Schedule 3, line 15	31	0		
32	Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits	32	0		
33	Add lines 25d, 26, and 32. These are your total payments	33	0		
Refund Direct deposit? See instructions	34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	0	
	35 a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here	35a	0	
	b	Routing number c Type: ☐ Checking ☐ Savings			
	d	Account number			
36	Amount of line 34 you want applied to your 2026 estimated tax	36	0		
Amount You Owe	37	Subtract line 33 from line 24. This is the amount you owe . For details on how to pay, go to www.irs.gov/Payments or see instructions	37	2,143	
	38	Estimated tax penalty (see instructions)	38	0	
Third Party Designee	Do you want to allow another person to discuss this return with the IRS? See instructions ☐ Yes . Complete below. ☒ No				
	Designee's name	Phone no.	Personal identification number (PIN)		
Sign Here Joint return? See instructions. Keep a copy for your records.	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.				
	Your signature	Date	Your occupation	If the IRS sent you an identity Protection PIN, enter it here (see inst.)	
	Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent you an identity Protection PIN, enter it here (see inst.)	
	Phone no.	Email address			
Paid Preparers Use Only	Preparer's name	Preparer's signature	Date	PTIN	Check if: ☐ Self-employed
	Firm's name	Phone no.			
	Firm's address	Firm's EIN			

Form	1040	Department of the Treasury—Internal Revenue Service	OBBBA Tax Forecast	2025	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
For the year Jan. 1–Dec. 31, 2025, or other tax year beginning				ending	See separate instructions.	
Your first name and middle initial		Last name			Your social security number	
					001-01-0001	
If joint return, spouse's first name and middle initial		Last name			Spouse's social security number	
Home address (number and street). If you have a P.O. box, see instructions.				Apt. no.	Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse	
City, town, or post office. If you have a foreign address, also complete spaces below.			State	ZIP Code		
Foreign country name		Foreign province/state/county		Foreign postal code		
Filing Status						
Check only one box						
☒ Single		☐ Head of Household (HOH)				
☐ Married filing jointly		☐ Qualifying Surviving Spouse (QSS)				
☐ Married filing separately (MFS)		If you checked the MFS box, enter the name of spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent.				
☐ If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required):						
Digital Assets		At any time during 2025, did you (a) receive (as a reward, award, or payment for property or service); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☐ No				
Standard Deduction		Someone can claim: ☐ You as a dependent ☐ Your spouse as a dependent ☐ Spouse itemizes on a separate return or you were a dual-status alien				
Age / Blindness		You: ☒ Were born before January 2, 1961 ☐ Are blind Spouse: ☐ Was born before January 2, 1961 ☐ Is blind				
Dependents		(see instructions):				
If more than four dependents, see instructions and check here ☐		(1) First name Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions):	
					Child tax credit	Credit for other dependents
Income		1 a Total amount from Form(s) W-2, box 1 (see instructions) 1a 0				
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.		b Household employee wages not reported on Form(s) W-2 1b				
		c Tip income not reported on line 1a (see instructions) 1c				
		d Medicaid waiver payments not reported on Form(s) W-2 (see instructions) 1d				
		e Taxable dependent care benefits from Form 2441, line 26 1e				
		f Employer provided adoption benefits from Form 8839, line 29 1f				
		g Wages from Form 8919, line 6 1g				
		h Other earned income (see instructions) 1h				
		i Nontaxable combat pay election (see instructions) 1i 0				
		z Add lines 1a through 1h 1z 0				
Attach Sch. B if required.		2 a Tax-exempt interest 2a 0				
		3 a Qualified dividends 3a 0				
Standard Deduction for --		4 a IRA distributions 4a 20,000				
• Single or married filing separately \$15,750		5 a Pensions and annuities 5a				
• Married filing jointly or Qualifying surviving spouse \$31,500		6 a Social security benefits 6a 30,000				
• Head of house \$23,625		b Taxable interest 2b 0				
• If you checked any Standard Deduction box, see instructions.		b Ordinary dividends 3b 0				
		b Taxable amount 4b 20,000				
		b Taxable amount 5b 0				
		b Taxable amount 6b 5,350				
		c If you elect to use the lump-sum election method, check here (see instructions) ☐				
		7 Capital gain or (loss). Attach Schedule D if required. If not required, check here 7				
		8 Other income from Schedule 1, line 10 8 0				
		9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income 9 25,350				
		10 Adjustments to income from Schedule 1, line 26 10 0				
		11 Subtract line 10 from line 9. This is your adjusted gross income 11 25,350				
		12 Standard deduction or itemized deductions (from Schedule A) 12 17,750				
		13a Qualified business income deduction from Form 8995 or Form 8995-A 13a 0				
		13b Additional OBBBA 'below-the-line' deductions (see worksheets at right) 13b 6,000				
		14 Add lines 12, 13a, and 13b 14 23,750				
		15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income 15 1,600				
For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.						
					Cat. No. 11320B	Form 1040 (2025)

Tax and Credits	16	Tax (see instructions). Check if any from Form(s): 1 ☐ 8814 2 ☐ 4972 3 ☐ . . .	16	161
	17	Amount from Schedule 2, line 3	17	
	18	Add lines 16 and 17	18	161
	19	Child tax credit or credit for other dependents from Schedule 8812	19	0
	20	Amount from Schedule 3, line 8	20	0
	21	Add lines 19 and 20	21	0
	22	Subtract line 21 from line 18. If zero or less, enter -0-	22	161
	23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	0
24	Add lines 22 and 23. This is your total tax	24	161	
Payments	25	Federal income tax withheld from:		
	a	Form(s) W-2	25a	0
	b	Form(s) 1099	25b	0
	c	Other forms (see instructions)	25c	0
	d	Add lines 25a through 25c	25d	0
	26	2025 estimated tax payments and amount applied from 2024 return	26	
	27	Earned income credit (EIC)	27	0
	28	Additional child tax credit from Schedule 8812	28	0
	29	American opportunity credit from Form 8863, line 8	29	
	30	Reserved for future use	30	
31	Amount from Schedule 3, line 15	31	0	
32	Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits	32	0	
33	Add lines 25d, 26, and 32. These are your total payments	33	0	
Refund Direct deposit? See instructions	34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	0
	35 a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here	35a	0
	b	Routing number c Type: ☐ Checking ☐ Savings		
	d	Account number		
36	Amount of line 34 you want applied to your 2026 estimated tax	36	0	
Amount You Owe	37	Subtract line 33 from line 24. This is the amount you owe . For details on how to pay, go to www.irs.gov/Payments or see instructions	37	161
	38	Estimated tax penalty (see instructions)	38	0
Third Party Designee	Do you want to allow another person to discuss this return with the IRS? See instructions ☐ Yes . Complete below. ☒ No			
	Designee's name	Phone no.	Personal identification number (PIN)	
Sign Here Joint return? See instructions. Keep a copy for your records.	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Your signature	Date	Your occupation	If the IRS sent you an identity Protection PIN, enter it here (see inst.)
	Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent you an identity Protection PIN, enter it here (see inst.)
	Phone no.		Email address	
	Preparer's name	Preparer's signature	Date	PTIN
	Firm's name	Firm's address		Phone no.
Paid Preparer's Use Only	Firm's EIN		Check if: ☐ Self-employed	