

# Lump Sum Social Security Benefits Worksheet

## Personal Information

Full Name: \_\_\_\_\_

Tax Year Benefits Were Received: \_\_\_\_\_

Filing Status:  Single  Married Filing Jointly  Head of Household  Qualifying  
Widow(er)

## Step 1: Lump Sum Payment Details

1. Total Lump Sum Received in Current Year: \_\_\_\_\_

2. Tax Years Covered by Lump Sum Payment:

Year 1: \_\_\_\_\_ Amount: \_\_\_\_\_

Year 2: \_\_\_\_\_ Amount: \_\_\_\_\_

Year 3: \_\_\_\_\_ Amount: \_\_\_\_\_

(Add more years if applicable)

3. Total Social Security Benefits (including regular monthly benefits in current year): \_\_\_\_\_

## Step 2: Tax Calculation (Overview)

Option 1 – Standard Method:

Add the entire lump sum to your current year income.

Compute taxable portion using standard worksheet (Publication 915).

May result in higher taxable benefits.

Option 2 – Lump Sum Election Method (Recommended if receiving back pay):

Calculate taxable portion separately for each prior year as if it had been received in that year.

Compare the tax owed with and without lump sum.

Pay the lower tax — reduces or avoids taxing 85% of the lump sum.

## Step 3: Required Information for Lump Sum Election

For Each Prior Year (Example for 1 Year):

Amount of lump sum for Year: \_\_\_\_\_

AGI in that year (excluding Social Security): \_\_\_\_\_

Tax-exempt interest for that year: \_\_\_\_\_

½ of lump sum for that year: \_\_\_\_\_

Provisional income in that year: \_\_\_\_\_

Taxable portion (based on prior year threshold): \_\_\_\_\_

(Repeat for each tax year covered by the lump sum.)