

Will I Owe Taxes on my SSDI/SSI Benefits?

Author : saragkhaki



One of the most common questions we get once our clients are approved for disability benefits is if their disability checks are taxable. For most people who are receiving benefits, the answer is no. Unlike SSDI which is based on the amount of Social Security taxes you paid during the years you worked as a W2 employee, SSI recipients qualify for SSI on a financial need basis by falling below the household income and asset threshold. Thus, SSI recipients rarely must pay taxes because they do not have enough income to begin with (if they had enough income to be taxed, then they wouldn't qualify for SSI). However, for people who have other sources of household income, in addition to SSDI benefits, it is likely that their SSDI checks may be taxable.

Here is how the federal income tax system will affect you:

- Single- If you are single or file your taxes as an individual and your annual income is more than \$25,000 but less than \$34,000, then about half of your SSDI benefits are taxable. If you make more than \$34,000 in this scenario then 85% of your benefits could be taxed.
- Married- If you are married and file jointly, then you and your spouse can have a combined income of up to \$32,000 before having to pay taxes on half of your benefits. If you and your spouse have a combined income of more than \$44,000 then 85% of your disability benefits could be taxed.

As for state taxes, most states do not tax disability benefits; however, a few states tax systems treat disability benefits like the federal tax system.

Please be advised that we do not specialize in tax law and do not have any staff with an accounting degree. The above information is to give you a general idea of how SSDI/SSI benefits may be

The Khaki Law Firm

Use our expertise to get through the Social Security Disability

<http://thekhakilawfirm.com>

taxed. To best determine how your disability income will be taxed, please seek the advice of your accountant or **contact us** for a referral to an accountant.