



# My Retirement Workshops

Empowering through Education

## 2026 Tax Report for Bob and Mary Example Scenario: married

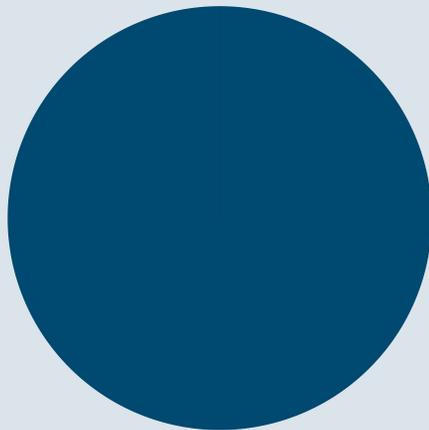
### KEY FIGURES

Total Income	\$123,250
Adjusted Gross Income (AGI)	\$123,250
Deductions	\$33,850
Taxable Income	\$83,400
Total Tax	\$9,512
Enhanced Senior Deduction	\$6,000

Filing Status	Married Filing Jointly
Marginal Bracket	12.0%
Average Rate	7.7%
2026 Safe Harbor	\$8,561

Qualified/Ordinary Dividends	\$0 / \$0
ST/LT Capital Gains	\$0 / \$0
Carryforward Loss	\$0
Total/Taxable Social Security	\$45,000 / \$38,250
Credits Claimed	\$0

### Let's take a look at your Tax Breakdown

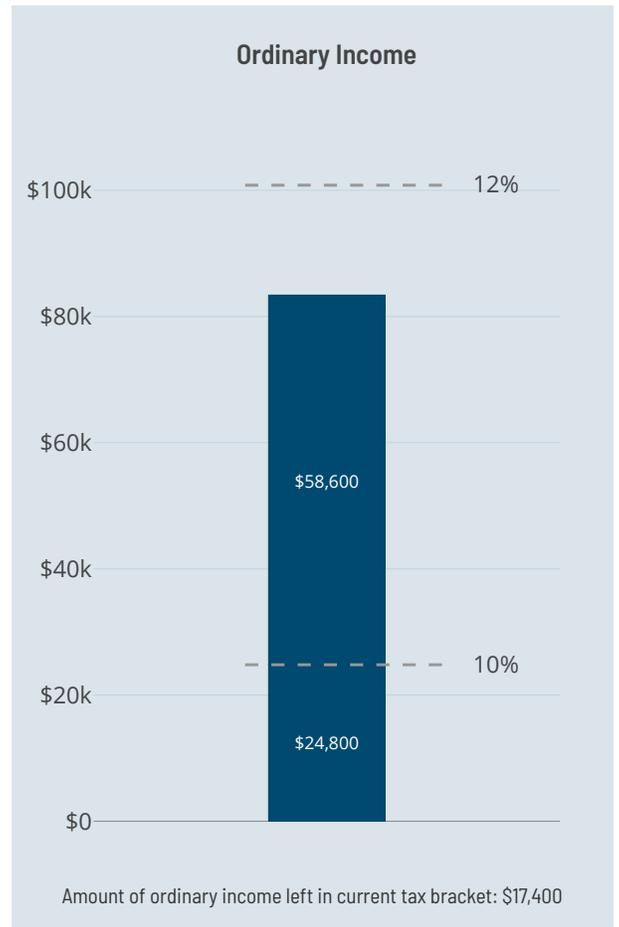


■ Tax on Ordinary Income  
\$9,512 | 100.0%

## Marginal Tax Brackets: Ordinary Income

The marginal tax rate for your ordinary income is as follows:

Marginal Rate	Ordinary Income Threshold	Ordinary Income	Tax
10%	\$0 to \$24,800	\$24,800	\$2,480
<b>12%</b>	<b>\$24,800 to \$100,800</b>	<b>\$58,600</b>	<b>\$7,032</b>
22%	\$100,800 to \$211,400	\$0	\$0
24%	\$211,400 to \$403,550	\$0	\$0
32%	\$403,550 to \$512,450	\$0	\$0
35%	\$512,450 to \$768,700	\$0	\$0
37%	\$768,700 and above	\$0	\$0
<b>Total</b>		<b>\$83,400</b>	<b>\$9,512</b>



## Medicare Part B/D Premiums for 2028

Medicare Parts B and D premiums can be impacted by Modified Adjusted Gross Income\* (MAGI). Your MAGI is \$123,250.

Amounts are monthly per person.

\*MAGI = AGI + Tax-Exempt Interest

MAGI Threshold	MAGI	Part B Premium	Part D Premium
\$0 to \$218,000	\$123,250	\$202.90	Your Plan Premium
\$218,000 to \$274,000		$\$202.90 + \$81.20 = \$284.10$	Your Plan Premium + \$14.50
\$274,000 to \$342,000		$\$202.90 + \$202.90 = \$405.80$	Your Plan Premium + \$37.50
\$342,000 to \$410,000		$\$202.90 + \$324.60 = \$527.50$	Your Plan Premium + \$60.40
\$410,000 to \$750,000		$\$202.90 + \$446.30 = \$649.20$	Your Plan Premium + \$83.30
\$750,000 and above		$\$202.90 + \$487.00 = \$689.90$	Your Plan Premium + \$91.00

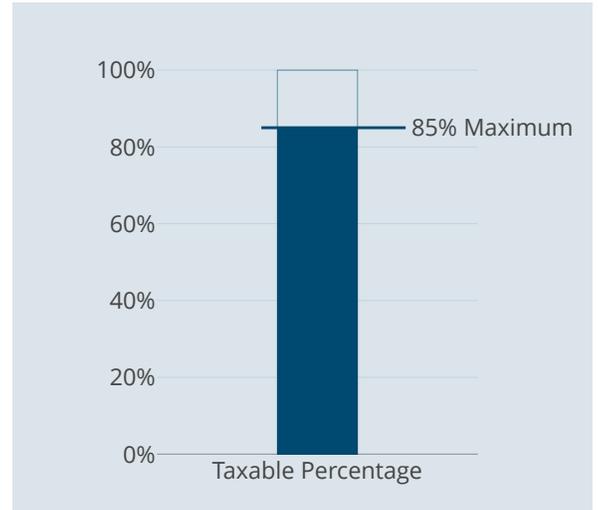
# Social Security

## TAXATION OF SOCIAL SECURITY

Taxable Percentage	Income Threshold	Combined Income *	Your Taxable Percentage
0% Taxable	Less than \$32,000		
Up to 50.0% taxable	\$32,000 to \$44,000		
<b>Up to 85.0% taxable</b>	<b>More than \$44,000</b>	<b>\$107,500</b>	<b>85.0%</b>

## SOCIAL SECURITY

Description	Amount
Total Benefits	\$45,000
Taxable Percentage	85.0%
Taxable Benefits	\$38,250



\* Combined income (provisional income)

AGI (not including Social Security benefits)	\$85,000
Nontaxable Interest	\$0
50% of your Social Security benefits	\$22,500
<b>Total combined income</b>	<b>\$107,500</b>

## Modified Adjusted Gross Income (MAGI): Planning Considerations

Certain deductions and tax incentives phase out as income reaches certain levels. The definition of “income” for these phase outs can be different. The term “Modified Adjusted Income” (MAGI) is generally used, but there are several definitions of MAGI that are slightly different from each other.

<b>MAGI Definition 1</b>	<b>\$123,250</b>	
Coverdell ESA	\$190,000 - \$220,000	Under
Lifetime Learning Credit	\$160,000 - \$180,000	Under
American Opportunity Credit	\$160,000 - \$180,000	Under
Child Tax Credit	\$400,000 - \$400,000	Under
Qualified Adoption Expenses Credit	\$265,080 - \$305,080	Under
Savers Credit	\$52,250 - \$80,500	Above
Enhanced Deduction for Seniors	\$150,000 - \$250,000	Under
SALT Deduction Cap	\$505,000 - \$605,000	Under
Qualified Tips Deduction	\$300,000 - \$550,000	Under
Overtime Deduction	\$300,000 - \$550,000	Under
Car Loan Interest Deduction	\$200,000 - \$250,000	Under
<b>MAGI Definition 2</b>	<b>\$123,250</b>	
Net Investment Income Tax	\$0 - \$250,000	Under
<b>MAGI Definition 3</b>	<b>\$123,250</b>	
Roth IRA Contribution	\$242,000 - \$252,000	Under
<b>MAGI Definition 4</b>	<b>\$123,250</b>	
Student Loan Interest Deduction	\$175,000 - \$205,000	Under
<b>MAGI Definition 5</b>	<b>\$123,250</b>	
IRA Contribution Deductibility - Covered by Qualified Plan	\$129,000 - \$149,000	Under
IRA Contribution Deductibility - Not Covered/Spouse Covered	\$242,000 - \$252,000	Under
<b>MAGI Definition 6</b>	<b>\$130,000</b>	
ACA Premium Credit	615% of federal poverty limit (48 States and DC)	

## Formulas

- MAGI Definition 1: AGI + Foreign Housing Exclusion + Foreign Earned Income Exclusion + Foreign Housing Deduction
- MAGI Definition 2: AGI + Excluded Foreign Earned Income
- MAGI Definition 3: AGI + IRA Deduction + Student Loan Interest Deduction + Tuition and Fees Deduction (2020 only) + Total Foreign Income Exclusions + Foreign Housing Deduction - Taxable Roth Conversion
- MAGI Definition 4: Worksheet 4-1 from Publication 970, Total Income, Several Above the Line Deductions, + Total Foreign Income Exclusions + Foreign Housing Deduction
- MAGI Definition 5: AGI + Unemployment Comp. (2020 only) + Student Loan Interest Deduction + Tuition and Fees Deduction (2020 only) + Total Foreign Income Exclusions + Foreign Housing Deduction
- MAGI Definition 6: AGI + Excluded Foreign Income + Nontaxable Social Security Benefits (Including Tier 1 Railroad Retirement Benefits) + Tax Exempt Interest

## Deductions & Credits

Deductions reduce the amount of income subject to tax while credits reduce taxes dollar for dollar.

### DEDUCTIONS

Claimed	Deduction
Standard Deduction	\$33,850
Enhanced Senior Deduction	\$6,000

### CREDITS

Claimed	Credit Type
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## Observations

\$38,250, or 85%, of your total Social Security earnings of \$45,000 was taxable as ordinary income. Social Security income is excluded from taxes to varying degrees, based on total income from other sources.

Given that you are in a lower marginal tax bracket, you may consider converting any eligible retirement accounts to Roth

Your Modified Adjusted Gross Income (MAGI) suggests you are eligible to contribute to a Roth IRA. Note that Roth contributions must come from what the IRS calls "compensation income". This tax return does not appear to include compensation income.

Bob, you are over the age of 70.5 and thus are eligible to make tax-free Qualified Charitable Distributions (QCDs) from IRAs to qualifying charitable organizations.

Your taxable income appears to be low enough to have allowed you to recognize long term capital gains at a 0% tax rate. If you expect to have low taxable income this year as well, you might consider taking some or all of any unrealized capital gains you might have.

For the ACA Premium Tax Credit, taxpayers with MAGI of less than 100% of the Federal Poverty Limit (FPL) or in excess of 400% of the FPL are not eligible to receive any credits. Generally, taxpayers with MAGI between 100% and 400% of the FPL are eligible to receive the credit on a sliding scale.

Based on the total tax estimate, the minimum amount of withholding needed in 2026 to avoid an underpayment penalty is 90% of the total tax, or \$8,561. Alternatively, the "penalty proof" withholding amount can be calculated based on the previous year's total tax and Adjusted Gross Income.

## GA State Tax Hints

Taxpayers 65 and older can exclude up to \$65,000 of retirement income (up to \$35,000 for taxpayers age 62 to 64). Eligible retirement income includes taxable pensions and annuities (including military pensions), taxable IRA distributions, interest, dividends, net income from rental property, capital gains, royalties, and the first \$5,000 of earned income (such as wages).

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Georgia taxpayers who contribute to the Path2College 529 plan can deduct up to \$8,000 per year, per beneficiary if filing a joint state income tax return. Individuals can deduct up to \$4,000 per year, per beneficiary. Incoming rollovers from other 529 plans do not qualify as contributions eligible for the state income tax deduction.

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Social Security benefits are not taxed.

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Beginning on or after January 1, 2022, a taxpayer under the age of 62 can exclude \$17,500 of military retirement income and an additional \$17,500 if the taxpayer has more than \$17,500 of earned income.

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Georgia has a flat tax rate of 5.39% in 2024, dropping to 5.19% in 2025.

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