

## **SOCIAL SECURITY WITH LUMP SUM DISTRIBUTION**

1. Complete the entire return including entering all social security (including prior year benefits) If there is no taxable income on Form 1040 line 5b, no further work needs to be done.
2. If there is taxable income on 1040 line 5b, proceed to steps 3 through 7 to calculate the taxable social security benefit using the lump-sum election method.
3. Record the Social Security taxable income for the current year on line 5b \$\_\_\_\_\_

*Note: Copies of all prior year federal tax returns are required to complete the following steps*

- 4 Click on “Lump Sum Payment” in TaxSlayer Social Security Menu
5. Fill in all requested information for the prior year.
- 6, If the Lump Sum payment includes more than one prior year, click on “Add a SSA Lump sum payment”. Repeat this for all prior years included in the Lump Sum payment.
7. Return to Form 1040. Verify line 5b is **no higher** than that recorded in step 3.

Note 1: TP legal expenses for appealing the Social Security Disability decision no longer may be deducted on schedule A.

Note 2: No adjustment is made to the earlier year's return for prior year benefits. Do not file an amended return for the earlier year(s).