

Tax Deferral on NQ Funds

Tax-Deferred Accumulation

A POWERFUL FINANCIAL TOOL



CD interest causes Increased Taxes on your Social Security Benefits

When you do your taxes, a Form 1099 for \$5,000 of CD interest will be generated, and your taxes may increase.

Married Filing Jointly:

- **\$0-\$32k:** _____
no Social Security tax is imposed
- **\$32k-44k:** ☒ _____
up to 50% of Social Security benefits are taxed
- **\$44k and Up:** _____
up to 85% of Social Security benefits are taxed

Single:

- **\$0-\$25k:** _____
no Social Security tax is imposed
- **\$25k-34k:** _____
up to 50% of Social Security benefits are taxed
- **\$34k and Up:** _____
up to 85% of Social Security benefits are taxed

If you are married, and receive SS Benefits of \$15,000, the CD interest of \$5,000 may cause your taxable income to go over \$32,000, $\frac{1}{2}$ of your SS benefit equals \$7,500.
Federal tax of 20% on \$7,500=\$1,500