Tax return 2025 for Single filer over age 65

FRED'S OPTION 1: INCREASES QCD BY $3,000

How much spending do I get after taxes from our SSA?

Estimated SSA for upcoming year: total security sales	**85,000**
Fed tax W/H from distrib from IRAs in December	13,596
After-tax from portfolio for spending	**71,404**
Approx. total for spending after tax, net of QCD & base est for Mcare premiums est. at $200/mo.	**103,804**

Where to I sell to get after tax amount for spending

1 Traditional IRA (RMD if ≥ age 73 in 2026)	65,000
Less QCD (allowed if over age 70 1/2)	5,000
Balance to be sold for spending in 2026	20,000
2. Sell securities in taxable account in Dec	20,000
3. Sell securities and distribute from Roth account	0
Can delay and sell later in 2026 with no tax consequence	

<u>Restatement: Securities sold/withdrawn from . . .</u>

Traditional IRA	65,000
Investment account	20,000
Roth	0
Total Security sales	**85,000**

<u>Standard Deduction</u>

Base	15,750
Over age 65	2,000
Bonus up to $6,000 - sliding scale	calculation
Total for single filer	$17,750 + calc amount to max $23,750

IRMAA tripwires applicable to 2025 return	
IRMAA Tripwire #1 ~$1,100 cost	$111,000
Tripwire #2 for ~$1,650 cost	$140,000
Tripwire #3 for ~$1,650 cost	$174,000
Tripwire #4 for ~$1,650 cost	$209,000
Tripwire #5 for ~$600 cost	$500,000

This shorthand display of our tax return works for me.
You may need to adjust to make it work for you. Assumes no tax-exempt interest.

Estimate of 2025 Tax Return (Single filer)
(Abbreviated tax return)

	Gross	Taxable: Income tax rate – Ordinary Tax Rate	Taxable: Income tax rate – Qualifed for Cap Gains rate	Linear display, tax return
Taxable Interest + Dividends	6,000	1,500	4,500	6,000
Traditional IRA + Roth Distrib	65,000	60,000		60,000
~~Conversion Traditional to Roth~~	~~0~~	~~0~~		
Other Pension income	1,800	1,800		1,800
Social Security	36,000	30,600		30,600
Assumed percent gain on proceeds from security sales			50%	
Est. ST & LT Capital Gains from Sales		0	10,000	10,000
Other Ordinary Income		2,000		2,000
Total Income		95,900	14,500	110,400
Standard Deduction. Assumes your age > 65		20,870		MAGI
QBI deduction = 20% of Sect 199A divs				
Taxable Income		75,030	14,500	89,530
Tax. Calculation below or in cell.		11,421	2,175	
NIIT, if MAGI > $200,000			0	
Total Fed Tax		13,596		

<u>Calculation of taxable portion of SS (0% to 85%)</u>

		Taxable Portion	Taxable amount
1/2 of gross SS benefit	18,000		
All other income	73,800		
"Combined Income"	91,800		
Base deduction	25,000	0%	0
Next increment up to $9,000	9,000	50%	4,500
Balance	57,800	85%	49,130
		Sum	53,630
		Taxable Portion up to 85% max	$30,600
		Percent taxed	85.0%

Calculation of Federal Tax on Ordinary Income

Rate in bracket	Top of bracket	Tax	Max Tax in Bracket
10%	11,925	1,193	1,193
12%	48,475	4,386	4,386
22%	103,350	5,842	12,073
24%	197,300	0	22,548
32%	250,525	0	17,032
35%	626,350	0	131,539
37%		0	
	Ordinary Tax	11,421	

Tom Canfield. August 2025.