

## Potential Tax Implications of the Death of a Spouse

### SITUATION

Your spouse has died – this may have financial and tax implications, as well as the emotional impacts

- For the tax year of the death, you may still file as Married Filing Jointly (MFJ)
- Your income may change, often it will be reduced
- Taxes are higher for Single filers compared to MFJ for the same income

### TAX IMPLICATIONS IN THE YEAR FOLLOWING DEATH

You must file as Single (assuming you do not remarry), or as Head of Household (HoH) if you have dependents. Qualifying Surviving Spouse has special rules and requires a child as a dependent who lived with you all 12 months

- The tax rate tables are different -- income may be taxed at a higher rate. In TY2023 the rates are:

<u>SINGLE</u>		<u>MFJ</u>	
Taxable income	Tax rate	Taxable income	Tax rate
\$0–\$11,000	10%	\$0–\$22,000	10%
\$11,001–\$44,725	12%	\$22,001–\$89,450	12%
\$44,726–\$95,375	22%	\$89,451–\$190,750	22%
\$95,376–\$182,100	24%	\$190,751–\$364,200	24%
\$182,101–\$231,250	32%		

- The taxable amount of Social Security income may change
- Standard Deduction will change and will be reduced
  - MFJ: \$27,700 + \$1,500 for each person over 65 years + \$1,500 for each blind person
  - Single: \$13,850 + \$1,850 if over 65 years + \$1,850 if blind
  - HoH: \$20,800 + \$1,850 if over 65 years + \$1,850 if blind

### RECOMMENDATIONS

- Estimate your income for the tax year. Pay particular attention to Pensions and Social Security
- Estimate how much withholding your will have taken out
- Make a rough estimate of what your new tax bill will be and compare it to your forecast withholdings
- If appropriate, consider changing your withholdings or make estimated tax payments

### BOTTOM LINE

We do not want you to have an unexpected tax bill. We will be happy to discuss the tax implications and provide a rough estimate of suggested changes in withholdings or in estimated tax payments