

# Figure Your Taxable Benefits Under the Lump-Sum Election Method (Use With Worksheet 2 or 3)

**Worksheet 4**

(Keep for your records)

**2016**

Name(s) as shown on return

Tax ID Number

Complete Worksheet 1 and Worksheets 2 and 3 as appropriate before completing this worksheet.

1. Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099 for 2016, minus the lump-sum payment for years before 2016 . . . . . **1.** \_\_\_\_\_  
**Note.** If line 1 is zero or less, skip lines 2 through 18, enter -0- on line 19 and go to line 20. Otherwise, go on to line 2.
  2. Enter one-half of line 1 . . . . . **2.** \_\_\_\_\_
  3. Enter the amount from Worksheet 1, line 3 . . . . . **3.** \_\_\_\_\_
  4. Enter the amount from Worksheet 1, line 4 . . . . . **4.** \_\_\_\_\_
  5. Enter the amount from Worksheet 1, line 5 . . . . . **5.** \_\_\_\_\_
  6. Combine lines 2, 3, 4, and 5 . . . . . **6.** \_\_\_\_\_
  7. Enter the amount from Worksheet 1, line 7 . . . . . **7.** \_\_\_\_\_
  8. Subtract line 7 from line 6 . . . . . **8.** \_\_\_\_\_
  9. Enter the amount from Worksheet 1, line 9. But if you are married filing separately and lived with your spouse at any time during 2016, skip lines 9 through 16; multiply line 8 by 85% (.85) and enter the result on line 17. Then, go to line 18 . . . . . **9.** \_\_\_\_\_
  10. Is the amount on line 8 more than the amount on line 9?  
**No.** Skip lines 10 through 18, enter -0- on line 19, and go to line 20.  
**Yes.** Subtract line 9 from line 8 . . . . . **10.** \_\_\_\_\_
  11. Enter the amount from Worksheet 1, line 11 . . . . . **11.** \_\_\_\_\_
  12. Subtract line 11 from line 10. If zero or less, enter -0- . . . . . **12.** \_\_\_\_\_
  13. Enter the **smaller** of line 10 or line 11 . . . . . **13.** \_\_\_\_\_
  14. Enter one-half of line 13 . . . . . **14.** \_\_\_\_\_
  15. Enter the **smaller** of line 2 or line 14 . . . . . **15.** \_\_\_\_\_
  16. Multiply line 12 by 85% (.85). If line 12 is zero, enter -0- . . . . . **16.** \_\_\_\_\_
  17. Add lines 15 and 16 . . . . . **17.** \_\_\_\_\_
  18. Multiply line 1 by 85% (.85) . . . . . **18.** \_\_\_\_\_
  19. Enter the **smaller** of line 17 or line 18 . . . . . **19.** \_\_\_\_\_
  20. Enter the total of the amounts from Worksheet 2, line 21, and Worksheet 3, line 14, for all earlier years for which the lump-sum payment was received . . . . . **20.** \_\_\_\_\_
  21. **Taxable benefits under lump-sum election method.** Add lines 19 and 20 . . . . . **21.** \_\_\_\_\_
- Next.** Is line 21 above smaller than Worksheet 1, line 19?  
**No.** Do not use this method to figure your taxable benefits. Follow the instructions on Worksheet 1 to report your benefits.  
**Yes.** You can elect to report your taxable benefits under this method. **To elect this method:**
1. Enter "LSE" to the left of Form 1040, line 20a, or Form 1040A, line 14a.
  2. If line 21 above is zero, follow the instructions in line 10 for "No" on Worksheet 1, Otherwise:
    - a. Enter the amount from Worksheet 1, line 1 on Form 1040, line 20a, or on Form 1040A, line 14a.
    - b. Enter the amount from line 21 above on Form 1040, line 20b, or on Form 1040A, line 14b.
    - c. If you are married filing separately and you **lived apart** from your spouse for all of 2016, enter "D" to the right of the word "benefits" on Form 1040, line 20a, or Form 1040A, line 14a.