



Question of the Month September 2026

T. BRIAN HAYES

“Hello. In the recent bill that got passed by the Congress and the Trump Administration, did the proposed ‘no tax on Social Security’ become law? What else became law that can benefit people financially? Thank you.” Mark

Hello Mark,

Thank you for your question about the recent bill passed by Congress and the Trump Administration. During the 2024 election campaign, President Trump proposed several financial benefit bills, including eliminating taxes on Social Security, tips, and overtime. The OBBBA and Federal Budget Reconciliation Budget Act, passed on July 4, 2025, enacted some of these proposals.

One of the main financial benefits enacted for many people was regarding taxation on tips and overtime. This bill passed and eligible taxpayers can deduct up to \$25,000 for tips and overtime income or joint filers and \$12,500 for single filers. However, this deduction is temporary as of now and applies for tax years 2025 through 2028. Plus, it phases out for adjusted gross incomes over \$150,000 (single filers) or \$300,000 (married couples filing jointly).

The proposed elimination of taxes on Social Security benefits did not pass. However, the OBBBA did approve a additional \$6,000 deduction per individual aged 65 and over for tax years 2025 through 2028. This deduction phases out at a 6% rate for modified adjusted gross incomes exceeding \$75,000 (single filers) or \$150,000 (joint filers), and is fully phased out at \$175,000 (single filers) or \$250,000 (joint filers). So now, for those aged 65 and over, the standard deduction is \$46,700 for married filing jointly, and \$23,750 for single filers.

Many economists note that the increased standard deduction for those aged 65 and over with phaseouts provides a larger tax cut for lower-middle and middle-income taxpayers compared to exempting all Social Security benefits from taxation. Unlike full exemption, which would favor higher-income taxpayers, this deduction better supports lower-income groups without significantly impacting Social Security trust funds, as most lower-quintile taxpayers are already exempt from Social Security benefit taxation.

This new law with a much higher standard deduction creates opportunities for tax-efficient Roth conversions, potentially with minimal or no tax liability. To learn more about this, please consider attending the upcoming college level retirement education course taught by The Prepare Institute at Indiana Wesleyan University – Indianapolis North Campus. This tuition based retirement education course provides education and knowledge in all areas of retirement and estate planning that you need for a successful and tax efficient retirement plan.

To get more information about this course, including dates and times, visit www.preparein.org. Also, to get answers to many other retirement planning questions that have been submitted to us, tune in to The Retirement Money Matters Show this weekend, where we'll dive deeper into the OBBBA's provisions and provide actionable insights to help you navigate these changes with confidence.

The show airs Saturday morning at 6 on WIBC (93.1 FM), Saturday morning at 8 on 930 AM The Answer in Sarasota, Sunday morning at 8:00 on WWKI (100.5 FM) or anytime online at www.theretirementmoneymattersshow.com. You can also obtain this information by reaching out to us at Hayes Advisory Group at 452-PLAN (7526), 800-939-1603 or brian@hayesadvisorygroup.com.

FOUNDER & PRESIDENT

T. Brian Hayes is the Founder, Owner, and CEO of Hayes Advisory Group, boasting over 30 years of experience in guiding clients towards their retirement goals. Specializing in pre-retirees and retirees, he ensures clients understand their planning options and tailor's strategies to their unique needs. A strong advocate for education, Hayes regularly writes and speaks on financial topics, hosts a weekly radio show on retirement, and instructs for The Prepare Institute, a 501-3 non-profit educational institution. He holds memberships in prestigious financial organizations like The Indiana Network of Estate Planning Professionals and The National Association of Insurance and Financial Advisors. Hayes is a distinguished member of the Million Dollar Roundtable (MDRT), with multiple honors recognizing his professional expertise and ethical standards. Based in Central Indiana, he serves clients across the U.S. and Canada, residing with his wife and three children.

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