

**Table T19-0142**  
**Baseline Effective Marginal Tax Benefit of Employer Contributions to Health Insurance Premiums**

**By Expanded Cash Income Percentile, 2020<sup>1</sup>**

Expanded Cash Income Percentiles <sup>2,3</sup>	Percent of Tax Units with Employer-Sponsored Health Insurance	Marginal Tax Benefit per \$100 of Contributions <sup>4</sup>
Lowest Quintile	14.4	13.8
Second Quintile	37.4	22.2
Third Quintile	62.4	28.5
Fourth Quintile	76.0	29.3
Top Quintile	82.8	33.4
All	49.2	29.1
<b>Addendum</b>		
80-90	83.6	32.6
90-95	84.4	32.8
95-99	81.1	34.8
Top 1 Percent	71.6	40.9
Top 0.1 Percent	70.0	40.2

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0319-1h) with health module based on coverage from Health Insurance Policy Simulation Model.

(1) Calendar year. Baseline is current law.

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2019 dollars): 20% \$25,800; 40% \$51,500; 60% \$92,700; 80% \$167,600; 90% \$246,000; 95% \$349,300; 99% \$831,200; 99.9% \$3,722,500.

(4) Marginal tax benefit equals the reduction in income and payroll taxes from shifting \$1,000 in compensation from wages and employer payroll taxes into additional employer provided health benefits divided by 1,000 and expressed as a percentage. Tabulation is weighted by initial amount of employer provided health benefits.