

Table T11-0324
Social Security OASDI Tax Rate Reduced to 3.1%
Baseline: Current Law
Distribution of Benefits by Cash Income Percentile, 2012 ¹

Cash Income Percentile ^{2,3}	Tax Units (thousands) ⁴	Units Benefiting from Social Security Tax Cut		Average Benefit, Among Units Benefiting (Dollars)	Percent Change in After-Tax Income, Among Units Benefiting
		Number (thousands)	Percent (%)		
Lowest Quintile	43,663	23,543	53.9	255	2.7
Second Quintile	37,050	27,235	73.5	651	2.8
Middle Quintile	32,849	26,675	81.2	1,139	2.9
Fourth Quintile	27,060	23,364	86.3	1,983	3.0
Top Quintile	23,575	21,100	89.5	3,492	1.7
All	165,201	122,292	74.0	1,426	2.3
Addendum					
80-90	11,894	10,563	88.8	3,104	3.0
90-95	5,764	5,244	91.0	3,784	2.6
95-99	4,723	4,236	89.7	3,922	1.5
Top 1 Percent	1,193	1,056	88.5	4,186	0.3
Top 0.1 Percent	122	107	87.7	4,192	0.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0411-2).

(1) Calendar year. Baseline is current law; proposal reduces the OASDI tax rate on employees from 6.2 percent to 3.1 percent. Unit is defined as benefiting if tax cut is at least \$1. For a description of TPC's current law and current policy baselines, see

<http://www.taxpolicycenter.org/T11-0270>

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

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

(3) The cash 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 2011 dollars): 20% \$17,130, 40% \$34,174, 60% \$62,042, 80% \$104,401, 90% \$169,059, 95% \$216,085, 99% \$569,944, 99.9% \$2,474,273.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.