10-Apr-12

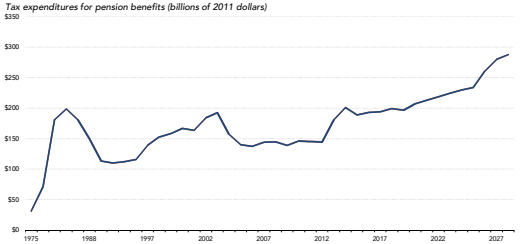
Estimates of Total Income Tax Subsidies for Pension Benefits
(in billions of 2011 dollars)

	Year																																									
TAX EXPENDITURES	**1975**	**1980**	**1982**	**1985**	**1987**	**1988**	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
401(k) plans (net exclusion of pension contributions and earnings)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	55.7	63.2	63.0	56.8	43.1	45.5	49.9	49.1	46.3	53.9	53.4	50.8	66.4	75.8	58.9	60.6	60.2	64.7	66.4	72.4	75.7	79.2	82.8	86.4	90.2	105.4	112.2	116.3
Employer plans (net exclusion of pension contributions and earnings)	19.1	48.2	136.7	132.1	113.5	101.6	72.4	69.9	73.1	76.3	96.3	110.0	110.6	115.3	53.2	63.7	72.7	55.9	58.3	54.7	51.1	48.2	42.6	40.8	36.4	37.9	45.8	50.4	63.2	62.4	61.2	62.6	62.6	63.0	62.9	61.8	60.8	59.7	58.0	57.7	55.3	53.4
Exclusion of Social Security benefits for retired workers	10.0	16.8	31.0	24.0	25.3	23.0	26.8	26.2	22.5	23.4	23.6	22.4	22.6	23.6	22.5	22.8	22.7	22.9	22.0	20.0	19.2	20.6	22.0	22.1	25.4	21.7	26.9	31.3	24.5	25.2	25.9	29.5	26.3	26.6	26.8	27.2	27.8	27.8	27.0	30.3	34.8	35.2
Individual Retirement Accounts (net exclusion of pension contributions and earnings)*	0.0	0.0	0.0	34.7	34.2	20.1	8.4	7.4	10.8	11.1	13.2	14.1	17.6	19.7	23.6	23.7	24.5	8.9	3.6	4.4	10.3	12.2	12.7	13.0	12.8	15.8	20.5	18.3	15.6	15.8	15.6	17.6	18.1	20.2	20.7	21.6	22.4	23.3	24.3	27.7	29.5	31.2
Keogh plans (net exclusion of pension contributions and earnings)**	1.4	4.7	10.7	6.3	6.7	4.0	4.8	5.6	4.7	4.2	4.8	5.3	6.9	7.1	7.8	8.7	7.4	10.5	10.8	11.3	11.9	12.5	13.4	14.3	15.0	15.6	18.7	22.1	24.2	26.3	28.3	22.3	21.1	22.8	24.8	26.7	28.6	30.5	32.4	37.6	45.9	49.3
Exclusion of railroad retirement system benefits	0.6	0.8	1.6	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.3	0.4	0.5	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Distributions from retirement plans for premiums for health and long-term care insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5
Small business retirement plan credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exclusion of military disability pensions	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Exclusion of veterans pensions	0.1	0.2	0.7	0.4	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5
Low and moderate income savers credit (net exclusion of pension contributions and earnings)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	1.1	1.2	1.5	0.8	0.8	0.9	1.1	1.2	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.1	1.0	1.0	1.0	1.0	0.9	0.9	0.9	1.0	1.0	0.9
TOTAL	**31.3**	**70.7**	**180.8**	**198.5**	**180.8**	**149.7**	**113.2**	**110.1**	**112.0**	**115.8**	**138.8**	**152.6**	**158.5**	**166.4**	**163.6**	**183.8**	**192.2**	**157.0**	**140.1**	**137.4**	**144.2**	**144.5**	**139.0**	**146.2**	**145.1**	**144.1**	**180.8**	**200.6**	**188.8**	**192.9**	**193.8**	**199.1**	**196.6**	**207.1**	**212.9**	**218.5**	**224.3**	**229.7**	**233.8**	**260.8**	**279.9**	**287.5**

Source: Data from the Office of Management and Budget, Analytical Perspectives (prior to 1990, Special Analyses), Budget of the United States Government Fiscal Years 1977, 1982 1987, 1990, 1995-2020.
Note: Tax expenditures are not strictly additive. The cash flow measures above do not reflect the present value of pension subsidies.
* Beginning in 2018, this number is one line item that includes exclusion of social security benefits for disabled workers, spouses, dependents and survivors.
**In 1975, 1980 and 1982, "Plans for self-employed and others"; From 2011 onwards "Self-Employed plans."
Methodology: Adjustments for inflation using the US Inflation calculator; data on Consumer Price Index (CPI-U) provided by the U.S. Department of Labor Bureau of Labor Statistics for 1975-2018, and projections from the CBO on the CPI between 2019-2028. Tax expenditures used the "current year" calculation from different OMB documents, and thus method for calculating expenditures may have changed over time.
After 2019, numbers are projections.

Total Income Tax Subsidies for Pension Benefits, 1975-2028

Tax expenditures for pension benefits (billions of 2011 dollars)



Sources: Office of Management and Budget, Analytical Perspectives (prior to 1990, Special Analyses), Budget of the United States Government Fiscal Years 1977,