

**Table T10-0240**  
**Automatic IRAs and Alternative Saver's Credit**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2015 <sup>1</sup>**  
**Summary Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase				Change (%)	Under the Proposal
<b>Lowest Quintile</b>	39.5	1.9	1.9	33.7	-217	-1.8	2.9
<b>Second Quintile</b>	39.6	7.7	0.7	26.9	-196	-0.6	9.7
<b>Middle Quintile</b>	39.1	5.6	0.3	16.0	-129	-0.2	16.6
<b>Fourth Quintile</b>	38.1	0.5	0.2	15.8	-152	-0.2	19.8
<b>Top Quintile</b>	17.4	0.1	0.0	7.5	-83	0.0	25.5
<b>All</b>	35.8	3.4	0.3	100.0	-163	-0.2	21.1
<b>Addendum</b>							
<b>80-90</b>	19.9	0.1	0.1	4.1	-89	-0.1	22.4
<b>90-95</b>	14.9	0.1	0.0	1.7	-74	0.0	23.3
<b>95-99</b>	14.8	0.0	0.0	1.5	-81	0.0	25.2
<b>Top 1 Percent</b>	13.6	0.0	0.0	0.3	-74	0.0	29.1
<b>Top 0.1 Percent</b>	9.7	0.0	0.0	0.0	-51	0.0	31.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-6).

Number of AMT Taxpayers (millions). Baseline: 6.0

Proposal: 6.0

(1) Calendar year. Baseline is current policy. The proposal introduces automatic enrollment in IRAs combined with a subsidy for contributions to IRAs. All workers without employer-sponsored saving plans are automatically enrolled in a traditional IRA with a default contribution rate equal to 3 percent of wages; the maximum contribution to an Auto IRA is \$1,000 annually under the plan. Individuals with wages below \$30,000 receive a 100 percent match on contributions up to \$400; this credit is phased-out for wage levels between \$30,000 and \$40,000. Individuals with wages below \$12,000 also receive a refundable saving credit equal to the lesser of \$400 and 5 percent of wages; this credit is phased-out for wage levels between \$12,000 and \$20,000. All thresholds are indexed to inflation. This credit replaces the existing Saver's Credit.

(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 2009 dollars): 20% 20402, 40% 39233, 60% 69458, 80% 119854, 90% 174556, 95% 246364, 99% 652142, 99.9% 3005194.

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

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

**Table T10-0240**  
**Automatic IRAs and Alternative Saver's Credit**  
**Distribution of Federal Tax Change by Cash Income Percentile, 2015 <sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	39.5	1.9	1.9	33.7	-217	-37.9	-0.3	0.5	-1.8	2.9
<b>Second Quintile</b>	39.6	7.7	0.7	26.9	-196	-6.1	-0.2	3.8	-0.6	9.7
<b>Middle Quintile</b>	39.1	5.6	0.3	16.0	-129	-1.4	-0.1	10.7	-0.2	16.6
<b>Fourth Quintile</b>	38.1	0.5	0.2	15.8	-152	-0.8	0.0	18.5	-0.2	19.8
<b>Top Quintile</b>	17.4	0.1	0.0	7.5	-83	-0.1	0.5	66.4	0.0	25.5
<b>All</b>	35.8	3.4	0.3	100.0	-163	-0.9	0.0	100.0	-0.2	21.1
<b>Addendum</b>										
<b>80-90</b>	19.9	0.1	0.1	4.1	-89	-0.3	0.1	14.5	-0.1	22.4
<b>90-95</b>	14.9	0.1	0.0	1.7	-74	-0.1	0.1	10.6	0.0	23.3
<b>95-99</b>	14.8	0.0	0.0	1.5	-81	-0.1	0.1	16.2	0.0	25.2
<b>Top 1 Percent</b>	13.6	0.0	0.0	0.3	-74	0.0	0.2	25.2	0.0	29.1
<b>Top 0.1 Percent</b>	9.7	0.0	0.0	0.0	-51	0.0	0.1	12.5	0.0	31.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile, 2015 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
<b>Lowest Quintile</b>	41,529	25.3	12,162	571	11,590	4.7	3.7	4.5	0.8
<b>Second Quintile</b>	36,653	22.4	31,072	3,220	27,853	10.4	8.3	9.5	4.0
<b>Middle Quintile</b>	33,113	20.2	56,370	9,483	46,888	16.8	13.6	14.4	10.8
<b>Fourth Quintile</b>	27,686	16.9	97,703	19,444	78,259	19.9	19.7	20.1	18.4
<b>Top Quintile</b>	24,273	14.8	311,043	79,284	231,758	25.5	55.0	52.1	65.9
<b>All</b>	163,952	100.0	83,731	17,823	65,908	21.3	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	12,231	7.5	152,915	34,340	118,575	22.5	13.6	13.4	14.4
<b>90-95</b>	5,996	3.7	218,892	51,089	167,803	23.3	9.6	9.3	10.5
<b>95-99</b>	4,817	2.9	386,580	97,373	289,206	25.2	13.6	12.9	16.1
<b>Top 1 Percent</b>	1,229	0.8	2,037,718	593,071	1,444,648	29.1	18.3	16.4	25.0
<b>Top 0.1 Percent</b>	124	0.1	9,183,258	2,913,469	6,269,789	31.7	8.3	7.2	12.4

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-6).

Number of AMT Taxpayers (millions). Baseline: 6.0

Proposal: 6.0

(1) Calendar year. Baseline is current policy. The proposal introduces automatic enrollment in IRAs combined with a subsidy for contributions to IRAs. All workers without employer-sponsored saving plans are automatically enrolled in a traditional IRA with a default contribution rate equal to 3 percent of wages; the maximum contribution to an Auto IRA is \$1,000 annually under the plan. Individuals with wages below \$30,000 receive a 100 percent match on contributions up to \$400; this credit is phased-out for wage levels between \$30,000 and \$40,000. Individuals with wages below \$12,000 also receive a refundable saving credit equal to the lesser of \$400 and 5 percent of wages; this credit is phased-out for wage levels between \$12,000 and \$20,000. All thresholds are indexed to inflation. This credit replaces the existing Saver's Credit.

(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 2009 dollars): 20% 20402, 40% 39233, 60% 69458, 80% 119854, 90% 174556, 95% 246364, 99% 652142, 99.9% 3005194.

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

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

**Table T10-0240**  
**Automatic IRAs and Alternative Saver's Credit**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**  
**Detail Table**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	43.0	0.9	2.1	30.3	-235	-130.3	-0.3	-0.1	-2.1	-0.5
<b>Second Quintile</b>	37.9	8.8	0.7	24.2	-189	-7.6	-0.2	2.7	-0.7	8.1
<b>Middle Quintile</b>	40.0	6.3	0.4	19.7	-160	-2.1	-0.1	8.4	-0.3	14.9
<b>Fourth Quintile</b>	36.4	0.7	0.2	15.7	-135	-0.8	0.0	17.7	-0.2	19.4
<b>Top Quintile</b>	21.0	0.1	0.1	10.3	-88	-0.1	0.6	71.1	0.0	25.3
<b>All</b>	35.8	3.4	0.3	100.0	-163	-0.9	0.0	100.0	-0.2	21.1
<b>Addendum</b>										
<b>80-90</b>	24.8	0.1	0.1	5.7	-98	-0.3	0.1	15.8	-0.1	22.5
<b>90-95</b>	18.0	0.1	0.1	2.3	-79	-0.2	0.1	11.8	0.0	23.5
<b>95-99</b>	16.5	0.1	0.0	1.8	-79	-0.1	0.1	17.4	0.0	24.9
<b>Top 1 Percent</b>	14.3	0.0	0.0	0.4	-77	0.0	0.2	26.1	0.0	28.8
<b>Top 0.1 Percent</b>	10.5	0.0	0.0	0.0	-53	0.0	0.1	13.0	0.0	31.5

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
<b>Lowest Quintile</b>	34,433	21.0	11,370	180	11,190	1.6	2.9	3.6	0.2
<b>Second Quintile</b>	34,042	20.8	28,271	2,483	25,788	8.8	7.0	8.1	2.9
<b>Middle Quintile</b>	32,778	20.0	49,855	7,597	42,258	15.2	11.9	12.8	8.5
<b>Fourth Quintile</b>	31,004	18.9	85,272	16,697	68,574	19.6	19.3	19.7	17.7
<b>Top Quintile</b>	30,997	18.9	262,396	66,492	195,904	25.3	59.3	56.2	70.5
<b>All</b>	163,952	100.0	83,731	17,823	65,908	21.3	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	15,638	9.5	130,126	29,325	100,801	22.5	14.8	14.6	15.7
<b>90-95</b>	7,749	4.7	187,595	44,126	143,469	23.5	10.6	10.3	11.7
<b>95-99</b>	6,127	3.7	329,590	82,184	247,407	24.9	14.7	14.0	17.2
<b>Top 1 Percent</b>	1,483	0.9	1,770,358	510,433	1,259,925	28.8	19.1	17.3	25.9
<b>Top 0.1 Percent</b>	148	0.1	8,083,653	2,549,727	5,533,926	31.5	8.7	7.6	12.9

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-6).

Number of AMT Taxpayers (millions). Baseline: 6.0

Proposal: 6.0

(1) Calendar year. Baseline is current policy. The proposal introduces automatic enrollment in IRAs combined with a subsidy for contributions to IRAs. All workers without employer-sponsored saving plans are automatically enrolled in a traditional IRA with a default contribution rate equal to 3 percent of wages; the maximum contribution to an Auto IRA is \$1,000 annually under the plan. Individuals with wages below \$30,000 receive a 100 percent match on contributions up to \$400; this credit is phased-out for wage levels between \$30,000 and \$40,000. Individuals with wages below \$12,000 also receive a refundable saving credit equal to the lesser of \$400 and 5 percent of wages; this credit is phased-out for wage levels between \$12,000 and \$20,000. All thresholds are indexed to inflation. This credit replaces the existing Saver's Credit.

(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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% 14034, 40% 26247, 60% 44536, 80% 73438, 90% 106490, 95% 151708, 99% 394914, 99.9% 1834985.

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

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

**Table T10-0240**  
**Automatic IRAs and Alternative Saver's Credit**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2015<sup>1</sup>**  
**Detail Table - Single Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	41.0	1.1	2.7	35.4	-214	-34.6	-0.5	1.1	-2.5	4.7
<b>Second Quintile</b>	32.5	6.2	0.9	26.8	-179	-8.3	-0.3	4.7	-0.8	9.1
<b>Middle Quintile</b>	37.0	4.4	0.5	21.2	-159	-2.6	-0.1	12.5	-0.4	16.1
<b>Fourth Quintile</b>	34.4	0.2	0.2	10.4	-98	-0.7	0.2	21.7	-0.2	21.3
<b>Top Quintile</b>	22.8	0.1	0.1	6.3	-72	-0.2	0.8	60.1	0.0	25.9
<b>All</b>	34.5	2.7	0.4	100.0	-155	-1.5	0.0	100.0	-0.3	20.7
<b>Addendum</b>										
<b>80-90</b>	25.8	0.1	0.1	3.6	-78	-0.4	0.2	16.4	-0.1	24.0
<b>90-95</b>	21.6	0.0	0.1	1.5	-69	-0.2	0.1	10.7	-0.1	24.3
<b>95-99</b>	17.5	0.0	0.0	1.0	-61	-0.1	0.2	14.2	0.0	24.4
<b>Top 1 Percent</b>	13.5	0.0	0.0	0.2	-56	0.0	0.3	18.7	0.0	30.6
<b>Top 0.1 Percent</b>	10.5	0.0	0.0	0.0	-44	0.0	0.1	9.1	0.0	34.7

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2015<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
<b>Lowest Quintile</b>	18,768	25.6	8,635	619	8,016	7.2	4.6	5.4	1.6
<b>Second Quintile</b>	16,978	23.2	21,771	2,170	19,602	10.0	10.5	12.0	5.0
<b>Middle Quintile</b>	15,149	20.7	37,186	6,132	31,054	16.5	16.1	17.0	12.6
<b>Fourth Quintile</b>	12,058	16.5	61,259	13,149	48,111	21.5	21.1	21.0	21.5
<b>Top Quintile</b>	9,927	13.6	169,573	43,987	125,585	25.9	48.0	45.0	59.2
<b>All</b>	73,231	100.0	47,884	10,070	37,814	21.0	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	5,323	7.3	93,395	22,445	70,950	24.0	14.2	13.6	16.2
<b>90-95</b>	2,386	3.3	133,795	32,630	101,165	24.4	9.1	8.7	10.6
<b>95-99</b>	1,846	2.5	229,335	56,050	173,285	24.4	12.1	11.6	14.0
<b>Top 1 Percent</b>	372	0.5	1,193,082	365,402	827,680	30.6	12.7	11.1	18.4
<b>Top 0.1 Percent</b>	33	0.1	5,789,992	2,006,037	3,783,955	34.7	5.5	4.5	9.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-6).

(1) Calendar year. Baseline is current policy. The proposal introduces automatic enrollment in IRAs combined with a subsidy for contributions to IRAs. All workers without employer-sponsored saving plans are automatically enrolled in a traditional IRA with a default contribution rate equal to 3 percent of wages; the maximum contribution to an Auto IRA is \$1,000 annually under the plan. Individuals with wages below \$30,000 receive a 100 percent match on contributions up to \$400; this credit is phased-out for wage levels between \$30,000 and \$40,000. Individuals with wages below \$12,000 also receive a refundable saving credit equal to the lesser of \$400 and 5 percent of wages; this credit is phased-out for wage levels between \$12,000 and \$20,000. All thresholds are indexed to inflation. This credit replaces the existing Saver's Credit.

(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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% 14034, 40% 26247, 60% 44536, 80% 73438, 90% 106490, 95% 151708, 99% 394914, 99.9% 1834985.

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

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

**Table T10-0240**  
**Automatic IRAs and Alternative Saver's Credit**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2015<sup>1</sup>**  
**Detail Table - Married Tax Units Filing Jointly**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	37.6	0.1	1.5	15.6	-224	-92.8	-0.1	0.0	-1.5	0.1
<b>Second Quintile</b>	39.2	9.3	0.6	17.3	-197	-6.4	-0.1	1.3	-0.5	7.9
<b>Middle Quintile</b>	42.2	8.0	0.3	21.7	-187	-2.1	-0.1	5.2	-0.3	13.6
<b>Fourth Quintile</b>	38.9	1.1	0.2	26.8	-175	-0.9	-0.1	15.1	-0.2	18.3
<b>Top Quintile</b>	19.3	0.1	0.0	18.6	-97	-0.1	0.3	78.2	0.0	25.1
<b>All</b>	33.2	3.1	0.2	100.0	-161	-0.5	0.0	100.0	-0.1	22.1
<b>Addendum</b>										
<b>80-90</b>	23.4	0.2	0.1	10.0	-109	-0.3	0.0	15.8	-0.1	21.9
<b>90-95</b>	15.9	0.1	0.1	4.2	-84	-0.2	0.0	12.9	0.0	23.2
<b>95-99</b>	15.5	0.1	0.0	3.5	-86	-0.1	0.1	19.6	0.0	25.1
<b>Top 1 Percent</b>	14.6	0.0	0.0	0.9	-86	0.0	0.2	29.9	0.0	28.4
<b>Top 0.1 Percent</b>	10.6	0.1	0.0	0.1	-57	0.0	0.1	14.7	0.0	30.9

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2015<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
<b>Lowest Quintile</b>	6,973	11.2	14,919	241	14,678	1.6	1.2	1.5	0.1
<b>Second Quintile</b>	8,787	14.1	36,368	3,083	33,285	8.5	3.6	4.3	1.4
<b>Middle Quintile</b>	11,591	18.7	64,554	8,943	55,611	13.9	8.5	9.4	5.3
<b>Fourth Quintile</b>	15,243	24.5	105,148	19,449	85,698	18.5	18.2	19.1	15.2
<b>Top Quintile</b>	19,265	31.0	313,857	78,893	234,964	25.1	68.7	66.1	77.9
<b>All</b>	62,127	100.0	141,606	31,408	110,198	22.2	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	9,176	14.8	152,990	33,538	119,452	21.9	16.0	16.0	15.8
<b>90-95</b>	5,029	8.1	214,535	49,852	164,683	23.2	12.3	12.1	12.9
<b>95-99</b>	4,014	6.5	378,175	94,865	283,310	25.1	17.3	16.6	19.5
<b>Top 1 Percent</b>	1,046	1.7	1,955,984	555,156	1,400,828	28.4	23.3	21.4	29.8
<b>Top 0.1 Percent</b>	106	0.2	8,661,239	2,676,274	5,984,965	30.9	10.5	9.3	14.6

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-6).

(1) Calendar year. Baseline is current policy. The proposal introduces automatic enrollment in IRAs combined with a subsidy for contributions to IRAs. All workers without employer-sponsored saving plans are automatically enrolled in a traditional IRA with a default contribution rate equal to 3 percent of wages; the maximum contribution to an Auto IRA is \$1,000 annually under the plan. Individuals with wages below \$30,000 receive a 100 percent match on contributions up to \$400; this credit is phased-out for wage levels between \$30,000 and \$40,000. Individuals with wages below \$12,000 also receive a refundable saving credit equal to the lesser of \$400 and 5 percent of wages; this credit is phased-out for wage levels between \$12,000 and \$20,000. All thresholds are indexed to inflation. This credit replaces the existing Saver's Credit.

(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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% 14034, 40% 26247, 60% 44536, 80% 73438, 90% 106490, 95% 151708, 99% 394914, 99.9% 1834985.

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

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

**Table T10-0240**  
**Automatic IRAs and Alternative Saver's Credit**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**  
**Detail Table - Head of Household Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	51.8	1.1	1.9	48.8	-288	32.9	-1.5	-5.7	-2.0	-8.0
<b>Second Quintile</b>	47.7	13.4	0.7	32.0	-202	-8.4	-0.6	10.2	-0.6	6.6
<b>Middle Quintile</b>	42.9	8.0	0.2	11.5	-106	-1.2	0.4	27.2	-0.2	15.8
<b>Fourth Quintile</b>	33.3	0.8	0.1	5.4	-88	-0.5	0.7	30.7	-0.1	20.4
<b>Top Quintile</b>	29.2	0.0	0.1	2.4	-90	-0.2	1.0	37.6	0.0	24.7
<b>All</b>	45.4	6.1	0.5	100.0	-191	-2.8	0.0	100.0	-0.4	14.3
<b>Addendum</b>										
<b>80-90</b>	33.4	0.0	0.1	1.7	-99	-0.3	0.4	14.1	-0.1	23.2
<b>90-95</b>	19.2	0.0	0.1	0.3	-63	-0.2	0.2	6.0	0.0	23.8
<b>95-99</b>	26.1	0.0	0.0	0.3	-89	-0.1	0.2	8.1	0.0	24.0
<b>Top 1 Percent</b>	15.6	0.0	0.0	0.0	-55	0.0	0.3	9.4	0.0	28.8
<b>Top 0.1 Percent</b>	9.5	0.0	0.0	0.0	-42	0.0	0.1	4.2	0.0	31.6

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2015 <sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
<b>Lowest Quintile</b>	8,442	32.3	14,561	-876	15,437	-6.0	10.3	12.8	-4.2
<b>Second Quintile</b>	7,886	30.2	33,386	2,410	30,976	7.2	22.0	23.9	10.8
<b>Middle Quintile</b>	5,385	20.6	54,677	8,737	45,940	16.0	24.6	24.2	26.7
<b>Fourth Quintile</b>	3,048	11.7	84,662	17,336	67,326	20.5	21.6	20.1	30.0
<b>Top Quintile</b>	1,305	5.0	199,740	49,405	150,336	24.7	21.8	19.2	36.6
<b>All</b>	26,118	100.0	45,853	6,742	39,112	14.7	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	836	3.2	124,620	29,029	95,591	23.3	8.7	7.8	13.8
<b>90-95</b>	246	0.9	175,036	41,673	133,364	23.8	3.6	3.2	5.8
<b>95-99</b>	185	0.7	309,908	74,554	235,354	24.1	4.8	4.3	7.8
<b>Top 1 Percent</b>	38	0.1	1,487,405	428,663	1,058,742	28.8	4.7	3.9	9.2
<b>Top 0.1 Percent</b>	3	0.0	7,532,292	2,377,225	5,155,066	31.6	1.9	1.5	4.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-6).

(1) Calendar year. Baseline is current policy. The proposal introduces automatic enrollment in IRAs combined with a subsidy for contributions to IRAs. All workers without employer-sponsored saving plans are automatically enrolled in a traditional IRA with a default contribution rate equal to 3 percent of wages; the maximum contribution to an Auto IRA is \$1,000 annually under the plan. Individuals with wages below \$30,000 receive a 100 percent match on contributions up to \$400; this credit is phased-out for wage levels between \$30,000 and \$40,000. Individuals with wages below \$12,000 also receive a refundable saving credit equal to the lesser of \$400 and 5 percent of wages; this credit is phased-out for wage levels between \$12,000 and \$20,000. All thresholds are indexed to inflation. This credit replaces the existing Saver's Credit.

(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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% 14034, 40% 26247, 60% 44536, 80% 73438, 90% 106490, 95% 151708, 99% 394914, 99.9% 1834985.

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

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

**Table T10-0240**  
**Automatic IRAs and Alternative Saver's Credit**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2015<sup>1</sup>**  
**Detail Table - Tax Units with Children**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	55.4	0.7	1.9	34.1	-319	26.1	-0.3	-1.4	-2.0	-9.7
<b>Second Quintile</b>	51.2	13.2	0.7	26.1	-243	-8.7	-0.2	2.4	-0.7	6.8
<b>Middle Quintile</b>	48.0	6.5	0.3	18.6	-175	-1.6	-0.1	10.0	-0.3	16.0
<b>Fourth Quintile</b>	36.2	0.2	0.2	15.3	-147	-0.6	0.1	20.8	-0.1	20.2
<b>Top Quintile</b>	13.9	0.0	0.0	5.8	-68	-0.1	0.5	68.1	0.0	26.5
<b>All</b>	41.9	4.3	0.2	100.0	-195	-0.9	0.0	100.0	-0.2	21.2
<b>Addendum</b>										
<b>80-90</b>	15.2	0.0	0.1	3.1	-68	-0.2	0.1	16.1	0.0	23.5
<b>90-95</b>	13.1	0.1	0.0	1.4	-68	-0.1	0.1	11.1	0.0	24.4
<b>95-99</b>	12.2	0.0	0.0	1.1	-69	-0.1	0.1	17.2	0.0	26.6
<b>Top 1 Percent</b>	10.0	0.0	0.0	0.2	-59	0.0	0.2	23.7	0.0	30.1
<b>Top 0.1 Percent</b>	6.7	0.1	0.0	0.0	-37	0.0	0.1	11.1	0.0	31.9

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2015<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
<b>Lowest Quintile</b>	10,462	20.9	15,856	-1,223	17,079	-7.7	3.1	4.3	-1.1
<b>Second Quintile</b>	10,491	20.9	37,718	2,814	34,904	7.5	7.5	8.8	2.6
<b>Middle Quintile</b>	10,400	20.8	67,434	10,949	56,485	16.2	13.3	14.1	10.1
<b>Fourth Quintile</b>	10,184	20.3	113,185	23,032	90,152	20.4	21.8	22.1	20.8
<b>Top Quintile</b>	8,419	16.8	342,412	90,695	251,717	26.5	54.6	51.0	67.6
<b>All</b>	50,095	100.0	105,494	22,557	82,937	21.4	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	4,394	8.8	174,777	41,098	133,679	23.5	14.5	14.1	16.0
<b>90-95</b>	2,031	4.1	250,749	61,348	189,401	24.5	9.6	9.3	11.0
<b>95-99</b>	1,611	3.2	449,349	119,661	329,688	26.6	13.7	12.8	17.1
<b>Top 1 Percent</b>	383	0.8	2,300,170	692,967	1,607,203	30.1	16.7	14.8	23.5
<b>Top 0.1 Percent</b>	36	0.1	10,779,109	3,439,990	7,339,119	31.9	7.4	6.4	11.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-6).

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(1) Calendar year. Baseline is current policy. The proposal introduces automatic enrollment in IRAs combined with a subsidy for contributions to IRAs. All workers without employer-sponsored saving plans are automatically enrolled in a traditional IRA with a default contribution rate equal to 3 percent of wages; the maximum contribution to an Auto IRA is \$1,000 annually under the plan. Individuals with wages below \$30,000 receive a 100 percent match on contributions up to \$400; this credit is phased-out for wage levels between \$30,000 and \$40,000. Individuals with wages below \$12,000 also receive a refundable saving credit equal to the lesser of \$400 and 5 percent of wages; this credit is phased-out for wage levels between \$12,000 and \$20,000. All thresholds are indexed to inflation. This credit replaces the existing Saver's Credit.

(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 incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% 14034, 40% 26247, 60% 44536, 80% 73438, 90% 106490, 95% 151708, 99% 394914, 99.9% 1834985.

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

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

**Table T10-0240**  
**Automatic IRAs and Alternative Saver's Credit**  
**Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2015<sup>1</sup>**  
**Detail Table - Elderly Tax Units**

Cash Income Percentile <sup>2,3</sup>	Percent of Tax Units <sup>4</sup>		Percent Change in After-Tax Income <sup>5</sup>	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate <sup>6</sup>	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
<b>Lowest Quintile</b>	8.8	0.1	0.4	8.6	-41	-16.3	-0.1	0.3	-0.4	1.9
<b>Second Quintile</b>	12.0	0.9	0.2	18.5	-53	-6.6	-0.1	1.5	-0.2	3.1
<b>Middle Quintile</b>	17.6	1.7	0.2	21.2	-83	-3.6	-0.1	3.3	-0.2	5.1
<b>Fourth Quintile</b>	27.7	1.3	0.2	26.6	-130	-1.5	-0.1	9.8	-0.2	10.7
<b>Top Quintile</b>	22.8	0.1	0.1	25.1	-109	-0.2	0.3	85.1	0.0	23.0
<b>All</b>	17.1	0.8	0.1	100.0	-80	-0.6	0.0	100.0	-0.1	17.0
<b>Addendum</b>										
<b>80-90</b>	24.6	0.3	0.1	12.1	-117	-0.6	0.0	10.9	-0.1	15.5
<b>90-95</b>	21.7	0.0	0.1	6.1	-106	-0.3	0.0	10.3	-0.1	18.3
<b>95-99</b>	21.2	0.0	0.0	5.4	-102	-0.2	0.1	19.8	0.0	21.6
<b>Top 1 Percent</b>	19.6	0.0	0.0	1.6	-98	0.0	0.2	44.1	0.0	29.1
<b>Top 0.1 Percent</b>	18.4	0.0	0.0	0.2	-90	0.0	0.1	23.2	0.0	32.1

**Baseline Distribution of Income and Federal Taxes**  
**by Cash Income Percentile Adjusted for Family Size, 2015<sup>1</sup>**

Cash Income Percentile <sup>2,3</sup>	Tax Units <sup>4</sup>		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income <sup>5</sup> (Dollars)	Average Federal Tax Rate <sup>6</sup>	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
<b>Lowest Quintile</b>	5,534	16.6	11,482	255	11,227	2.2	2.3	2.8	0.3
<b>Second Quintile</b>	9,249	27.8	24,387	808	23,580	3.3	8.3	9.7	1.6
<b>Middle Quintile</b>	6,855	20.6	43,516	2,291	41,225	5.3	11.0	12.5	3.4
<b>Fourth Quintile</b>	5,464	16.4	77,957	8,444	69,513	10.8	15.7	16.8	9.9
<b>Top Quintile</b>	6,122	18.4	279,544	64,417	215,127	23.0	62.9	58.4	84.7
<b>All</b>	33,251	100.0	81,869	14,000	67,870	17.1	100.0	100.0	100.0
<b>Addendum</b>									
<b>80-90</b>	2,759	8.3	117,724	18,379	99,345	15.6	11.9	12.2	10.9
<b>90-95</b>	1,523	4.6	171,025	31,334	139,691	18.3	9.6	9.4	10.3
<b>95-99</b>	1,416	4.3	298,984	64,708	234,276	21.6	15.6	14.7	19.7
<b>Top 1 Percent</b>	424	1.3	1,656,757	481,665	1,175,092	29.1	25.8	22.1	43.9
<b>Top 0.1 Percent</b>	46	0.1	7,231,883	2,321,130	4,910,753	32.1	12.3	10.1	23.1

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-6).

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

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