

**Table T10-0242**  
**Automatic IRAs and Alternative Saver's Credit**  
**Average Change in IRA Contributions by Cash Income Percentile, 2011-2020<sup>1,2</sup>**

Cash Income Percentile <sup>3,4,5</sup>	Average Change in Contributions (Current Dollars)									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Lowest Quintile</b>	315	317	321	322	325	330	334	341	346	354
<b>Second Quintile</b>	434	441	443	442	441	444	445	448	449	451
<b>Middle Quintile</b>	424	435	435	429	425	438	438	451	450	452
<b>Fourth Quintile</b>	436	444	442	438	435	446	441	452	449	446
<b>Top Quintile</b>	303	314	312	306	301	310	308	316	313	308
<b>All</b>	380	388	389	386	385	392	393	401	401	403
<b>Addendum</b>										
<b>80-90</b>	350	359	357	345	341	350	347	355	351	344
<b>90-95</b>	273	288	289	289	281	288	285	292	292	289
<b>95-99</b>	244	258	254	251	251	261	262	272	269	264
<b>Top 1 Percent</b>	208	213	210	209	208	216	216	220	214	215
<b>Top 0.1 Percent</b>	139	146	144	145	146	149	150	155	157	156

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) IRA contributions include traditional IRAs, Roth IRAs and the saver's credit (which is expanded under the proposal).

(3) 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>

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

(5) 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. For breaks, see <http://taxpolicycenter.org/numbers/displayatab.cfm?DocID=2835>

**Table T10-0242**  
**Automatic IRAs and Expanded Saver's Credit**  
**Average Change in IRA Contributions by Cash Income Percentile for Tax Units Age 65 and Under, 2011-2020**<sup>1,2</sup>

Cash Income Percentile <sup>3,4,5</sup>	Average Change in Contributions (Current Dollars)									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Lowest Quintile</b>	378	387	393	394	400	406	413	420	427	436
<b>Second Quintile</b>	528	535	541	545	550	559	566	578	584	592
<b>Middle Quintile</b>	481	487	488	483	480	496	496	512	513	517
<b>Fourth Quintile</b>	471	482	480	474	470	483	479	492	489	486
<b>Top Quintile</b>	312	325	323	315	310	319	315	324	320	314
<b>All</b>	434	444	447	444	445	455	456	468	470	473
<b>Addendum</b>										
<b>80-90</b>	371	376	373	359	353	363	359	369	365	358
<b>90-95</b>	265	293	295	294	286	292	288	296	294	289
<b>95-99</b>	243	258	257	254	254	263	261	272	267	262
<b>Top 1 Percent</b>	201	204	202	200	198	204	202	203	197	199
<b>Top 0.1 Percent</b>	117	123	120	121	121	122	122	125	126	125

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) IRA contributions include traditional IRAs, Roth IRAs and the saver's credit (which is expanded under the proposal).

(3) 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>

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Includes only tax units age 65 and under.

(5) 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. For breaks, see

<http://taxpolicycenter.org/numbers/displayatab.cfm?DocID=2835>