

Table T11-0319
Social Security OASDI Tax Rate Reduced to 4.2%
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)
		Number (thousands)	Percent (%)	
Lowest Quintile	43,663	23,534	53.9	165
Second Quintile	37,050	27,235	73.5	420
Middle Quintile	32,849	26,670	81.2	735
Fourth Quintile	27,060	23,361	86.3	1,280
Top Quintile	23,575	21,100	89.5	2,253
All	165,201	122,274	74.0	920
Addendum				
80-90	11,894	10,563	88.8	2,003
90-95	5,764	5,244	91.0	2,441
95-99	4,723	4,236	89.7	2,530
Top 1 Percent	1,193	1,056	88.5	2,701
Top 0.1 Percent	122	107	87.3	2,705

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% to 4.2%. 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.