

Table T13-0295
Tax Benefit of Certain Retirement Savings Incentives (Cash-flow Approach)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile, 2015 ¹
Detail Table

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units		Benefit as a Percent of After-Tax Income ⁴	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	7.8	92.2	0.0	0.0	0	0.1	0.7	0.7	3.2	3.2
Second Quintile	32.9	67.1	-0.1	-1.4	-32	-1.0	3.9	3.8	8.5	8.4
Middle Quintile	53.9	46.1	-0.5	-10.8	-283	-3.0	10.4	9.8	14.1	13.7
Fourth Quintile	66.4	33.6	-0.7	-20.4	-656	-3.4	17.6	16.5	17.3	16.7
Top Quintile	79.6	20.4	2.0	132.6	4,868	5.8	67.1	68.9	25.7	27.1
All	42.1	57.9	0.7	100.0	521	2.9	100.0	100.0	19.8	20.4
Addendum										
80-90	78.2	21.8	1.0	17.5	1,284	4.0	12.8	12.9	19.3	20.1
90-95	79.1	20.9	1.4	17.1	2,525	5.1	9.8	10.0	21.1	22.2
95-99	81.8	18.2	3.2	51.0	9,324	10.0	15.0	16.1	24.3	26.7
Top 1 Percent	87.1	12.9	2.4	47.0	33,868	4.7	29.4	30.0	33.8	35.4
Top 0.1 Percent	88.3	11.7	1.4	12.8	90,097	2.5	14.9	14.8	36.1	37.0

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile, 2015 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	43,476	26.5	15,006	4.5	483	0.7	14,524	5.4	3.2	
Second Quintile	36,374	22.2	37,120	9.2	3,145	3.9	33,975	10.5	8.5	
Middle Quintile	32,412	19.8	66,179	14.6	9,340	10.4	56,839	15.7	14.1	
Fourth Quintile	26,575	16.2	111,245	20.2	19,206	17.6	92,039	20.8	17.3	
Top Quintile	23,244	14.2	326,417	51.7	83,717	67.1	242,700	47.9	25.7	
All	163,798	100.0	89,591	100.0	17,717	100.0	71,875	100.0	19.8	
Addendum										
80-90	11,605	7.1	165,125	13.1	31,940	12.8	133,186	13.1	19.3	
90-95	5,784	3.5	232,934	9.2	49,241	9.8	183,693	9.0	21.1	
95-99	4,669	2.9	384,081	12.2	93,366	15.0	290,716	11.5	24.3	
Top 1 Percent	1,185	0.7	2,135,597	17.2	721,228	29.4	1,414,368	14.2	33.8	
Top 0.1 Percent	121	0.1	9,836,226	8.1	3,546,428	14.9	6,289,798	6.5	36.1	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

Number of AMT Taxpayers (millions). Baseline: 4.5

Proposal: 5.3

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would (a) repeal the tax deferral of contributions to retirement accounts, accruals in IRAs, Keogh, and both defined contribution and defined benefit retirement plans; (b) repeal the saver's credit; (c) repeal exemption of income accrued within accounts; and (d) repeal tax on withdrawals from accounts as well as the early withdrawal penalty. Baseline federal tax burden differs from standard TPC tables in that tax incentives for retirement are treated on a cash flow rather than present value basis. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The 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 2013 dollars): 20% \$24,844; 40% \$48,286; 60% \$82,182; 80% \$137,646; 90% \$188,942; 95% \$271,750; 99% \$641,453; 99.9% \$3,329,195.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded 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 expanded cash income.

Table T13-0295
Tax Benefit of Certain Retirement Savings Incentives (Cash-flow Approach)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table - Single Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units		Benefit as a Percent of After- Tax Income ⁴	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	5.3	94.7	0.0	-0.5	3	0.6	1.8	1.8	4.9	4.9
Second Quintile	19.4	80.6	0.0	1.1	-7	-0.3	6.1	6.2	9.0	9.0
Middle Quintile	39.5	60.5	-0.6	26.8	-232	-3.8	12.7	12.5	14.0	13.5
Fourth Quintile	58.6	41.4	-1.0	48.3	-528	-4.1	21.6	21.1	18.9	18.1
Top Quintile	67.6	32.4	-0.3	24.2	-347	-0.8	57.5	58.2	26.0	25.8
All	30.3	69.7	-0.4	100.0	-165	-1.8	100.0	100.0	18.9	18.6
Addendum										
80-90	66.1	33.9	-1.0	28.9	-780	-3.6	14.5	14.2	21.4	20.7
90-95	67.9	32.1	-0.6	12.4	-659	-2.0	11.1	11.1	23.4	22.9
95-99	71.6	28.4	0.3	-5.7	497	0.9	12.2	12.5	24.6	24.8
Top 1 Percent	70.3	29.7	0.6	-11.3	4,679	1.1	19.7	20.3	34.9	35.3
Top 0.1 Percent	73.5	26.5	0.4	-4.1	17,098	0.7	10.5	10.8	38.2	38.5

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	21,755	29.2	11,102	6.8	542	1.8	10,560	8.0	4.9	
Second Quintile	17,975	24.1	25,209	12.8	2,275	6.1	22,935	14.3	9.0	
Middle Quintile	14,155	19.0	43,007	17.2	6,033	12.7	36,974	18.2	14.0	
Fourth Quintile	11,194	15.0	68,398	21.6	12,915	21.6	55,483	21.6	18.9	
Top Quintile	8,551	11.5	173,382	41.8	45,099	57.5	128,283	38.1	26.0	
All	74,471	100.0	47,634	100.0	9,002	100.0	38,632	100.0	18.9	
Addendum										
80-90	4,540	6.1	99,929	12.8	21,421	14.5	78,508	12.4	21.4	
90-95	2,300	3.1	138,513	9.0	32,392	11.1	106,121	8.5	23.4	
95-99	1,415	1.9	234,702	9.4	57,758	12.2	176,943	8.7	24.6	
Top 1 Percent	297	0.4	1,273,527	10.7	444,930	19.7	828,596	8.6	34.9	
Top 0.1 Percent	30	0.0	6,221,613	5.2	2,379,275	10.5	3,842,338	3.9	38.2	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would (a) repeal the tax deferral of contributions to retirement accounts, accruals in IRAs, Keogh, and both defined contribution and defined benefit retirement plans; (b) repeal the saver's credit; (c) repeal exemption of income accrued within accounts; and (d) repeal tax on withdrawals from accounts as well as the early withdrawal penalty. Baseline federal tax burden differs from standard TPC tables in that tax incentives for retirement are treated on a cash flow rather than present value basis. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The 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 2013 dollars): 20% \$24,844; 40% \$48,286; 60% \$82,182; 80% \$137,646; 90% \$188,942; 95% \$271,750; 99% \$641,453; 99.9% \$3,329,195.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded 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 expanded cash income.

Table T13-0295
Tax Benefit of Certain Retirement Savings Incentives (Cash-flow Approach)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table - Married Tax Units Filing Jointly

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units		Benefit as a Percent of After-Tax Income ⁴	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	9.5	90.5	0.1	0.1	17	-5.6	-0.1	-0.1	-1.5	-1.5
Second Quintile	35.2	64.8	0.3	1.2	133	5.2	1.1	1.1	5.8	6.1
Middle Quintile	52.7	47.3	0.0	0.0	-3	0.0	5.1	4.9	11.3	11.3
Fourth Quintile	66.5	33.5	-0.2	-4.0	-234	-1.3	14.4	13.6	15.7	15.5
Top Quintile	75.9	24.1	2.0	102.8	4,763	5.9	79.3	80.3	25.2	26.7
All	57.2	42.9	1.2	100.0	1,487	4.6	100.0	100.0	21.1	22.0
Addendum										
80-90	72.3	27.7	0.6	8.1	769	2.5	14.6	14.3	18.7	19.2
90-95	79.0	21.1	1.8	17.2	3,238	6.9	11.5	11.7	20.9	22.3
95-99	78.1	21.9	3.0	38.4	8,321	9.5	18.5	19.3	23.8	26.0
Top 1 Percent	86.3	13.8	2.6	39.1	34,475	5.1	34.8	35.0	33.3	35.0
Top 0.1 Percent	88.8	11.2	1.6	10.7	94,173	2.8	17.2	17.0	35.7	36.7

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	5,320	8.6	20,017	1.1	-306	-0.1	20,323	1.4	-1.5	
Second Quintile	8,306	13.3	44,644	3.9	2,585	1.1	42,059	4.6	5.8	
Middle Quintile	12,244	19.7	74,496	9.5	8,446	5.1	66,050	10.7	11.3	
Fourth Quintile	15,779	25.3	117,945	19.3	18,480	14.4	99,465	20.7	15.7	
Top Quintile	19,975	32.1	319,632	66.4	80,489	79.3	239,143	62.9	25.2	
All	62,259	100.0	154,563	100.0	32,566	100.0	121,996	100.0	21.1	
Addendum										
80-90	9,738	15.6	162,019	16.4	30,292	14.6	131,726	16.9	18.7	
90-95	4,912	7.9	226,498	11.6	47,297	11.5	179,201	11.6	20.9	
95-99	4,276	6.9	368,487	16.4	87,584	18.5	280,904	15.8	23.8	
Top 1 Percent	1,049	1.7	2,019,224	22.0	672,791	34.8	1,346,434	18.6	33.3	
Top 0.1 Percent	105	0.2	9,340,939	10.2	3,335,251	17.2	6,005,688	8.3	35.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would (a) repeal the tax deferral of contributions to retirement accounts, accruals in IRAs, Keogh, and both defined contribution and defined benefit retirement plans; (b) repeal the saver's credit; (c) repeal exemption of income accrued within accounts; and (d) repeal tax on withdrawals from accounts as well as the early withdrawal penalty. Baseline federal tax burden differs from standard TPC tables in that tax incentives for retirement are treated on a cash flow rather than present value basis. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The 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 2013 dollars): 20% \$24,844; 40% \$48,286; 60% \$82,182; 80% \$137,646; 90% \$188,942; 95% \$271,750; 99% \$641,453; 99.9% \$3,329,195.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded 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 expanded cash income.

Table T13-0295
Tax Benefit of Certain Retirement Savings Incentives (Cash-flow Approach)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table - Head of Household Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units		Benefit as a Percent of After- Tax Income ⁴	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	9.5	90.5	0.0	-1.7	-7	0.4	-9.7	-9.5	-8.8	-8.8
Second Quintile	40.5	59.5	0.4	32.2	148	10.6	7.4	8.0	3.5	3.9
Middle Quintile	59.0	41.0	0.2	19.5	129	1.6	29.5	29.2	12.6	12.8
Fourth Quintile	69.4	30.6	0.3	15.4	195	1.2	30.7	30.3	17.2	17.4
Top Quintile	73.3	26.7	0.7	34.7	1,027	2.0	42.0	41.9	24.5	24.9
All	38.5	61.5	0.3	100.0	137	2.4	100.0	100.0	11.1	11.3
Addendum										
80-90	71.1	28.9	0.4	9.7	451	1.6	14.5	14.4	20.7	21.0
90-95	76.2	23.9	1.2	11.2	1,694	4.3	6.4	6.5	21.9	22.9
95-99	78.0	22.0	0.9	9.9	2,087	2.8	8.5	8.5	24.7	25.4
Top 1 Percent	80.8	19.2	0.4	3.9	4,192	0.7	12.7	12.5	33.1	33.3
Top 0.1 Percent	83.3	16.7	0.8	3.6	42,393	1.4	6.1	6.1	35.4	35.9

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	7,977	33.2	18,688	12.1	-1,644	-9.7	20,333	14.8	-8.8	
Second Quintile	7,174	29.9	39,600	23.1	1,396	7.4	38,205	25.1	3.5	
Middle Quintile	4,992	20.8	63,863	25.9	8,021	29.5	55,842	25.5	12.6	
Fourth Quintile	2,595	10.8	93,366	19.7	16,067	30.7	77,299	18.3	17.2	
Top Quintile	1,112	4.6	209,928	19.0	51,327	42.0	158,601	16.1	24.5	
All	24,016	100.0	51,196	100.0	5,657	100.0	45,539	100.0	11.1	
Addendum										
80-90	707	2.9	134,514	7.7	27,801	14.5	106,713	6.9	20.7	
90-95	218	0.9	181,693	3.2	39,830	6.4	141,863	2.8	21.9	
95-99	156	0.7	297,476	3.8	73,374	8.5	224,102	3.2	24.7	
Top 1 Percent	30	0.1	1,718,596	4.2	568,420	12.7	1,150,175	3.2	33.1	
Top 0.1 Percent	3	0.0	8,467,773	1.9	2,997,038	6.1	5,470,734	1.4	35.4	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

* Less than 0.05

(1) Calendar year. Baseline is current law. Proposal would (a) repeal the tax deferral of contributions to retirement accounts, accruals in IRAs, Keogh, and both defined contribution and defined benefit retirement plans; (b) repeal the saver's credit; (c) repeal exemption of income accrued within accounts; and (d) repeal tax on withdrawals from accounts as well as the early withdrawal penalty. Baseline federal tax burden differs from standard TPC tables in that tax incentives for retirement are treated on a cash flow rather than present value basis. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

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Table T13-0295
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Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table - Tax Units with Children

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units		Benefit as a Percent of After-Tax Income ⁴	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	10.2	89.9	0.0	0.0	1	-0.1	-1.9	-1.8	-10.1	-10.1
Second Quintile	45.1	54.9	0.5	2.4	208	12.7	1.6	1.6	3.7	4.1
Middle Quintile	68.1	31.9	0.4	3.0	272	2.7	9.1	8.7	12.6	12.9
Fourth Quintile	81.3	18.7	1.0	11.2	1,027	4.9	19.4	18.8	16.5	17.3
Top Quintile	89.5	10.5	3.4	83.4	8,943	9.8	71.6	72.5	25.5	28.0
All	57.0	43.0	1.9	100.0	1,837	8.4	100.0	100.0	18.8	20.4
Addendum										
80-90	87.9	12.1	2.4	17.1	3,577	10.0	14.3	14.5	19.3	21.3
90-95	89.1	11.0	3.2	15.3	6,652	11.7	11.0	11.3	21.4	23.9
95-99	92.7	7.3	5.2	30.7	17,093	16.0	16.1	17.3	24.6	28.6
Top 1 Percent	96.0	4.0	2.9	20.4	44,231	5.7	30.2	29.4	33.7	35.6
Top 0.1 Percent	95.3	4.8	1.4	4.2	97,966	2.5	14.1	13.3	35.8	36.7

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	10,705	20.9	19,909	3.6	-2,003	-1.9	21,912	4.9	-10.1	
Second Quintile	10,704	20.9	45,013	8.1	1,644	1.6	43,369	9.6	3.7	
Middle Quintile	10,325	20.2	78,905	13.7	9,917	9.1	68,988	14.7	12.6	
Fourth Quintile	10,260	20.0	128,289	22.1	21,177	19.4	107,112	22.7	16.5	
Top Quintile	8,772	17.1	357,823	52.7	91,406	71.6	266,418	48.3	25.5	
All	51,185	100.0	116,431	100.0	21,877	100.0	94,553	100.0	18.8	
Addendum										
80-90	4,493	8.8	184,229	13.9	35,619	14.3	148,610	13.8	19.3	
90-95	2,159	4.2	265,867	9.6	57,005	11.0	208,862	9.3	21.4	
95-99	1,687	3.3	434,749	12.3	107,044	16.1	327,705	11.4	24.6	
Top 1 Percent	434	0.9	2,314,347	16.9	779,619	30.2	1,534,728	13.8	33.7	
Top 0.1 Percent	41	0.1	10,844,639	7.4	3,885,391	14.1	6,959,248	5.8	35.8	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

* Less than 0.05

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

(1) Calendar year. Baseline is current law. Proposal would (a) repeal the tax deferral of contributions to retirement accounts, accruals in IRAs, Keogh, and both defined contribution and defined benefit retirement plans; (b) repeal the saver's credit; (c) repeal exemption of income accrued within accounts; and (d) repeal tax on withdrawals from accounts as well as the early withdrawal penalty. Baseline federal tax burden differs from standard TPC tables in that tax incentives for retirement are treated on a cash flow rather than present value basis. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

(2) Includes both filing and non-filing units but excludes those that are dependents of other tax units. Tax units with negative adjusted gross income are excluded from their respective income class but are included in the totals. For a description of expanded cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The 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 2013 dollars): 20% \$24,844; 40% \$48,286; 60% \$82,182; 80% \$137,646; 90% \$188,942; 95% \$271,750; 99% \$641,453; 99.9% \$3,329,195.

(4) Includes tax units with a change in federal tax burden of \$10 or more in absolute value.

(5) After-tax income is expanded 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 expanded cash income.

Table T13-0295
Tax Benefit of Certain Retirement Savings Incentives (Cash-flow Approach)
Baseline: Current Law
Distribution of Federal Tax Change by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹
Detail Table - Elderly Tax Units

Expanded Cash Income Percentile ^{2,3}	Percent of Tax Units		Benefit as a Percent of After-Tax Income ⁴	Share of Total Benefit	Average Benefit		Share of Federal Taxes		Average Federal Tax Rate ⁵	
	With Benefit	Without Benefit			Dollars	Percent of Federal Taxes	With Provision	Without Provision	With Provision	Without Provision
Lowest Quintile	*	100.0	0.0	0.0	-1	-1.2	0.1	0.2	0.7	0.7
Second Quintile	1.6	98.5	-0.3	0.9	-80	-11.5	1.3	1.4	2.5	2.2
Middle Quintile	10.8	89.2	-1.8	9.0	-874	-26.9	5.4	4.7	6.3	4.6
Fourth Quintile	17.5	82.5	-5.0	29.7	-3,808	-36.6	13.1	9.9	12.1	7.6
Top Quintile	29.4	70.6	-4.0	60.4	-7,904	-12.2	79.9	83.6	24.6	21.6
All	10.7	89.3	-3.3	100.0	-2,178	-16.1	100.0	100.0	17.0	14.3
Addendum										
80-90	23.1	76.9	-5.9	24.5	-6,333	-31.5	12.6	10.3	15.9	10.9
90-95	30.7	69.3	-6.0	14.6	-8,443	-24.9	9.4	8.4	19.3	14.5
95-99	37.0	63.0	-5.0	19.1	-11,776	-17.2	17.9	17.7	22.7	18.8
Top 1 Percent	52.1	47.9	-0.5	2.3	-5,315	-0.9	40.0	47.3	34.1	33.8
Top 0.1 Percent	63.3	36.7	0.8	-1.7	37,121	1.3	21.0	25.4	36.7	37.2

Baseline Distribution of Income and Federal Taxes
by Expanded Cash Income Percentile Adjusted for Family Size, 2015 ¹

Expanded Cash Income Percentile ^{2,3}	Tax Units		Pre-Tax Income		Federal Tax Burden		After-Tax Income ⁵		Average Federal Tax Rate ⁶	
	Number (thousands)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total	Average (dollars)	Percent of Total		
Lowest Quintile	6,889	18.5	13,324	3.1	98	0.1	13,226	3.7	0.7	
Second Quintile	9,257	24.9	28,006	8.8	695	1.3	27,310	10.3	2.5	
Middle Quintile	8,322	22.4	51,350	14.5	3,250	5.4	48,100	16.3	6.3	
Fourth Quintile	6,310	17.0	86,346	18.5	10,407	13.1	75,940	19.6	12.1	
Top Quintile	6,185	16.7	262,957	55.1	64,788	79.9	198,170	50.0	24.6	
All	37,154	100.0	79,431	100.0	13,501	100.0	65,930	100.0	17.0	
Addendum										
80-90	3,136	8.4	126,807	13.5	20,095	12.6	106,712	13.7	15.9	
90-95	1,394	3.8	175,621	8.3	33,852	9.4	141,768	8.1	19.3	
95-99	1,310	3.5	301,905	13.4	68,452	17.9	233,453	12.5	22.7	
Top 1 Percent	345	0.9	1,707,337	19.9	582,754	40.0	1,124,583	15.8	34.1	
Top 0.1 Percent	37	0.1	7,836,971	9.7	2,877,280	21.0	4,959,691	7.4	36.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-2).

* Less than 0.05

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

(1) Calendar year. Baseline is current law. Proposal would (a) repeal the tax deferral of contributions to retirement accounts, accruals in IRAs, Keogh, and both defined contribution and defined benefit retirement plans; (b) repeal the saver's credit; (c) repeal exemption of income accrued within accounts; and (d) repeal tax on withdrawals from accounts as well as the early withdrawal penalty. Baseline federal tax burden differs from standard TPC tables in that tax incentives for retirement are treated on a cash flow rather than present value basis. For a description of TPC's current law baseline, see <http://www.taxpolicycenter.org/taxtopics/Baseline-Definitions.cfm>

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