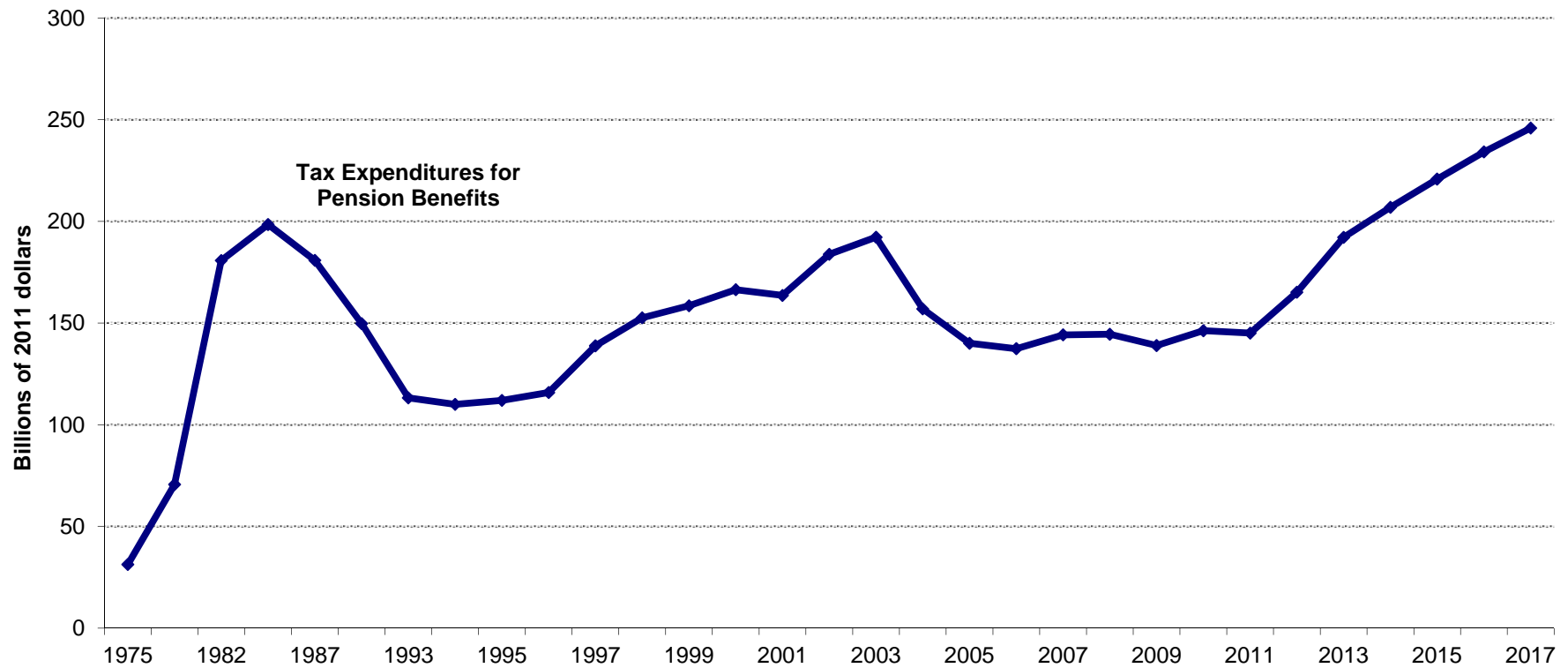


## Total Income Tax Subsidies for Pension Benefits, 1975-2017



Note: Tax expenditures are not strictly additive. The cash flow measures above do not reflect the present value of pension subsidies. After 2011, numbers are projections.  
Source: The Urban Institute, 2012. Based on 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, 1995-2013.

10-Apr-12

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

TAX EXPENDITURES	Year										
	1975	1980	1982	1985	1987	1988	1993	1994	1995	1996	1997
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
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
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
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
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
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
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
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
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
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
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
<b>TOTAL</b>	<b>31.3</b>	<b>70.7</b>	<b>180.8</b>	<b>198.5</b>	<b>180.8</b>	<b>149.7</b>	<b>113.2</b>	<b>110.1</b>	<b>112.0</b>	<b>115.8</b>	<b>138.8</b>

TAX EXPENDITURES	Year										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
401(k) plans (net exclusion of pension contributions and earnings)	0.0	0.0	0.0	55.7	63.2	63.0	56.8	43.1	45.5	49.9	49.1
Employer plans (net exclusion of pension contributions and earnings)	110.0	110.6	115.3	53.2	63.7	72.7	55.9	58.3	54.7	51.1	48.2
Exclusion of Social Security benefits for retired workers	22.4	22.6	23.6	22.5	22.8	22.7	22.9	22.0	20.0	19.2	20.6
Individual Retirement Accounts (net exclusion of pension contributions and earnings)	14.1	17.6	19.7	23.6	23.7	24.5	8.9	3.6	4.4	10.3	12.2
Keogh plans (net exclusion of pension contributions and earnings)*	5.3	6.9	7.1	7.8	8.7	7.4	10.5	10.8	11.3	11.9	12.5
Exclusion of railroad retirement system benefits	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4
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	0.3	0.2
Small business retirement plan credit	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Exclusion of military disability pensions	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Exclusion of veterans pensions	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Low and moderate income savers credit (net exclusion of pension contributions and earnings)	0.0	0.0	0.0	0.0	1.1	1.1	1.2	1.5	0.8	0.8	0.9
<b>TOTAL</b>	<b>152.6</b>	<b>158.5</b>	<b>166.4</b>	<b>163.6</b>	<b>183.8</b>	<b>192.2</b>	<b>157.0</b>	<b>140.1</b>	<b>137.4</b>	<b>144.2</b>	<b>144.5</b>

TAX EXPENDITURES	2009			2012						
	2009	2010	2011	2012	2013	2014	2015	2016	2017	
401(k) plans (net exclusion of pension contributions and earnings)	46.3	53.9	53.4	60.1	72.7	81.0	86.7	92.2	96.0	
Employer plans (net exclusion of pension contributions and earnings)	42.6	40.8	36.4	44.5	52.3	56.7	59.8	63.0	66.3	
Exclusion of Social Security benefits for retired workers	22.0	22.1	25.4	26.0	25.6	27.6	29.7	32.0	34.4	
Individual Retirement Accounts (net exclusion of pension contributions and earnings)	12.7	13.0	12.8	15.4	19.7	18.5	19.7	20.8	21.5	
Keogh plans (net exclusion of pension contributions and earnings)*	13.4	14.3	15.0	17.1	19.6	20.9	22.5	23.8	25.4	
Exclusion of railroad retirement system benefits	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	
Distributions from retirement plans for premiums for health and long-term care insurance	0.3	0.3	0.3	0.3	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	
Exclusion of military disability pensions	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Exclusion of veterans pensions	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.4	
Low and moderate income savers credit (net exclusion of pension contributions and earnings)	1.1	1.2	1.1	1.0	1.1	1.1	1.1	1.1	1.1	
<b>TOTAL</b>	<b>139.0</b>	<b>146.2</b>	<b>145.1</b>	<b>165.2</b>	<b>192.2</b>	<b>206.9</b>	<b>220.8</b>	<b>234.2</b>	<b>245.9</b>	

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, 1995-2013.

Note: Tax expenditures are not strictly additive. The cash flow measures above do not reflect the present value of pension subsidies.

\*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. Tax expenditures used the "current year" calculation from different OMB documents, and thus method for calculating expenditures may have changed over time.

After 2011, numbers are projections. Estimates from 2011-2013 are all taken from OMB's Analytical Perspectives FY 2013 table 17-1 (and thus these numbers use the same methodology).