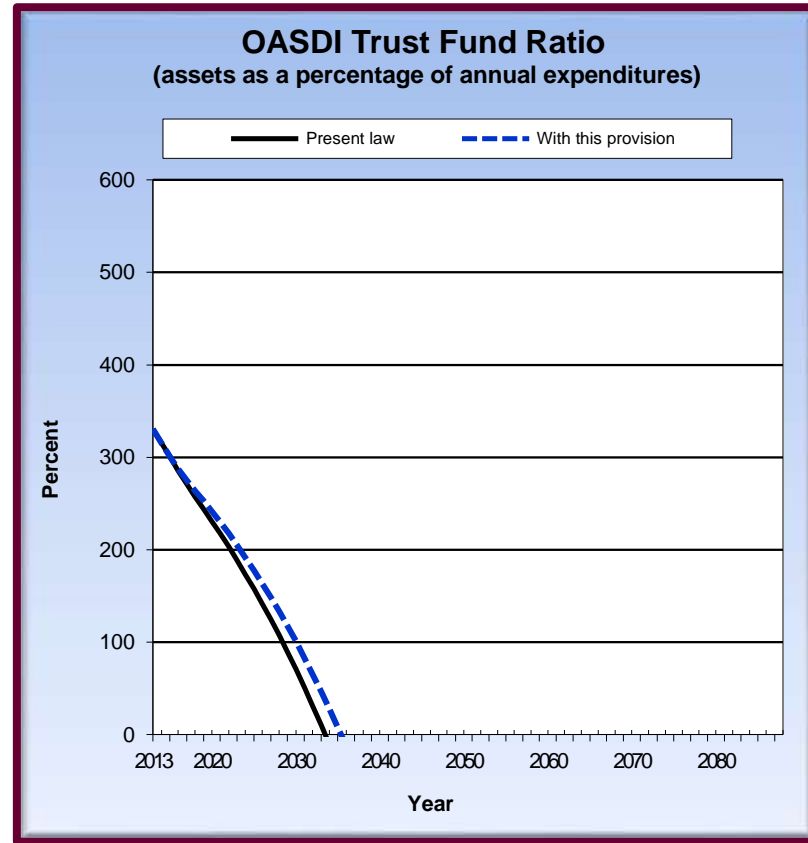
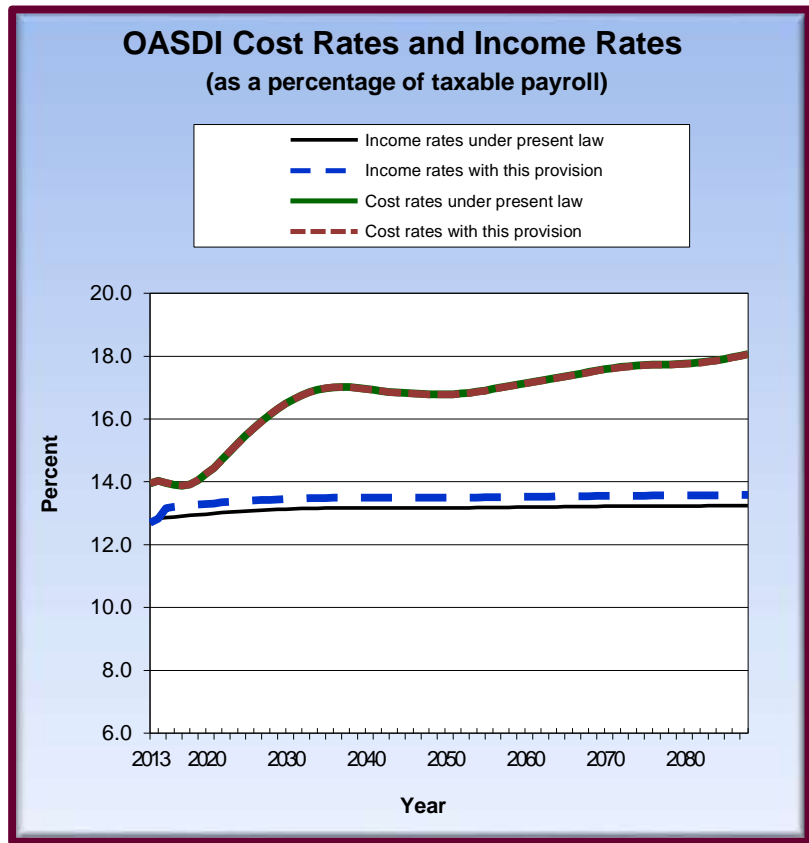


## Summary Measures and Graphs

### Category of Change: Payroll Taxes (including maximum taxable)

*Proposed Provision: Beginning in 2015, apply 4 percent payroll tax rate on earnings above \$400,000 in 2015, with the threshold wage-indexed after 2015. Provide benefit credit for additional earnings taxed, using a secondary PIA formula. This secondary PIA formula involves: (1) an AIME+ derived from annual earnings taxed only between \$400,000 and \$500,000 (with thresholds wage-indexed after 2015); and (2) a formula factor of 2 percent on this newly computed AIME+.*

<u>Present Law</u>		<u>Change From Present Law in</u>		<u>Results with this provision</u>	
Long-Range Actuarial Balance	Annual Balance in 75th Year	Long-Range Actuarial Balance	Annual Balance in 75th Year	Long-Range Actuarial Balance	Annual Balance in 75th Year
2.72%	-4.77%	0.32%	0.34%	-2.40%	-4.42%



Estimates based on the intermediate assumptions of the 2013 Trustees Report

Office of the Chief Actuary, Social Security  
July 11, 2014