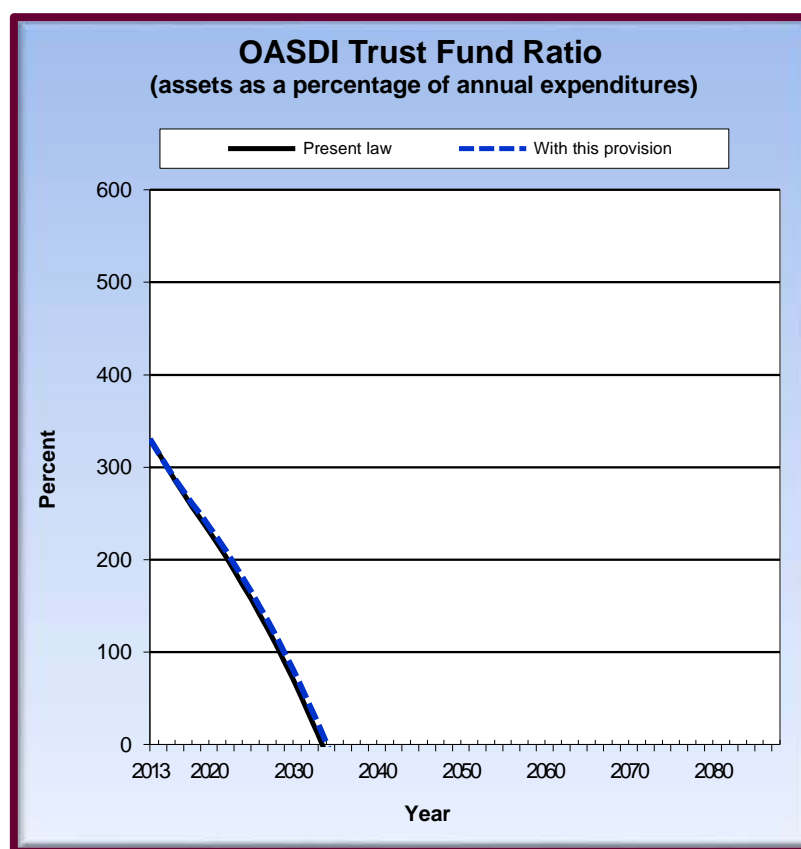
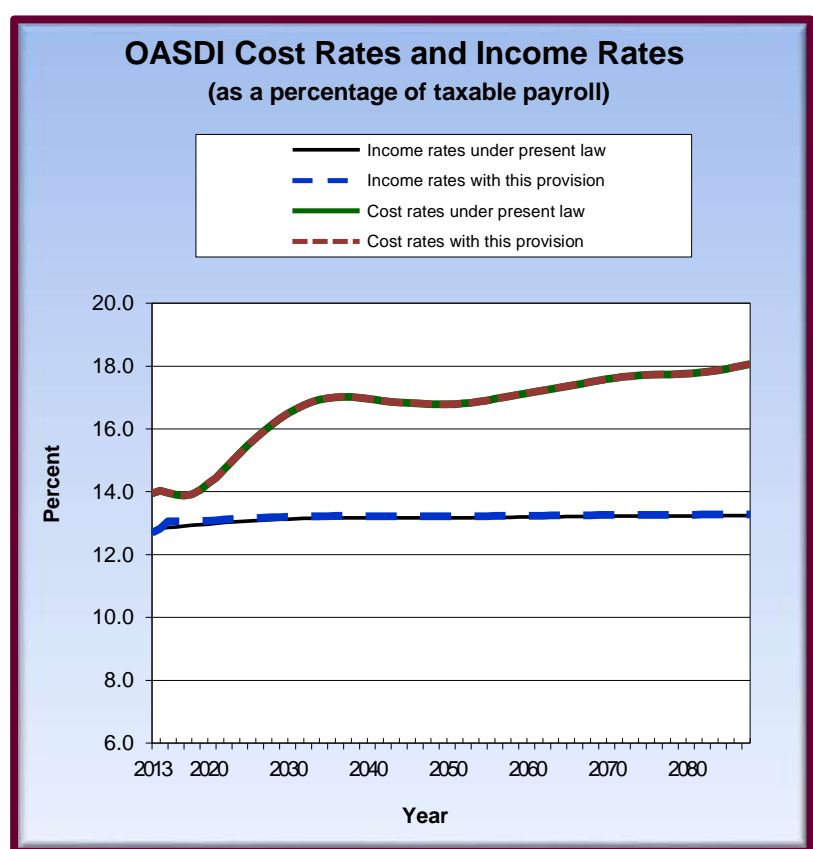


## Summary Measures and Graphs

### Category of Change: Taxation of Benefits

*Proposed Provision: Tax Reform for Individuals: Starting in 2015, modify personal income tax by: (a) establishing two-brackets with marginal rates of 15 and 27 percent separated at \$51,000 (CPI indexed); (b) creating a non-refundable credit for low-income tax filers age 65 and older; and (c) treating capital gains as regular income. Tax all Social Security benefits at the applicable marginal rate (15 or 27 percent) less a non-refundable credit of 7.5 percent. Base revenue to OASDHI on the net marginal rates of 7.5 and 19.5 percent, with 40 percent of revenue dedicated to HI.*

<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%	0.06%	0.04%	-2.65%	-4.73%



Estimates based on the intermediate assumptions of the 2013 Trustees Report

Office of the Chief Actuary, Social Security  
September 11, 2013