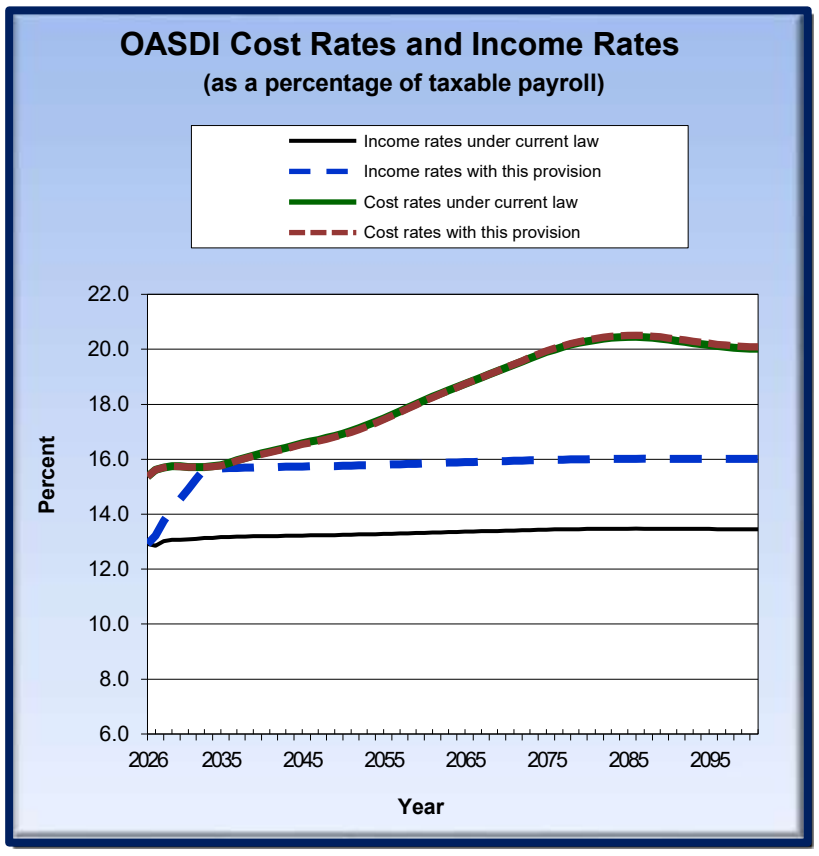
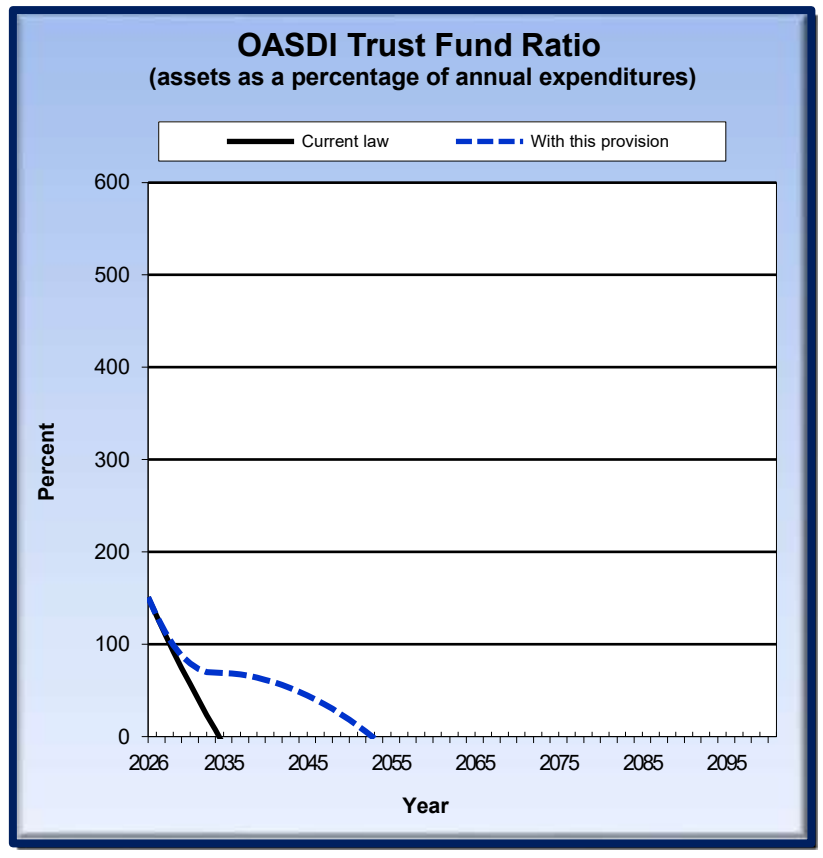
Summary Measures and Graphs

Category of Change: Payroll Taxes (including maximum taxable)

Proposed Provision: E2.4. Eliminate the taxable maximum for years 2033 and later (phased in 2027-2033), and apply full 12.4 percent payroll tax rate to all earnings. Provide benefit credit for earnings above the current-law taxable maximum that are subject to the payroll tax, using a secondary PIA formula. This secondary PIA formula involves: (1) an "AIME+" derived from annual earnings from each year after 2025 that were in excess of that year's current-law taxable maximum; (2) a new bend point equal to $10,622 in 2027, indexed by wages after 2027; and (3) formula factors of 3 percent and 0.25 percent below and above the new bend point, respectively.

Current law [percent of payroll]		Change from current law [percent of payroll]		Shortfall eliminated	
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
-4.42	-6.57	2.36	2.49	53%	38%





Estimates based on the intermediate assumptions of the 2026 Trustees Report

Actuarial Services
Social Security Administration
September 21, 2026