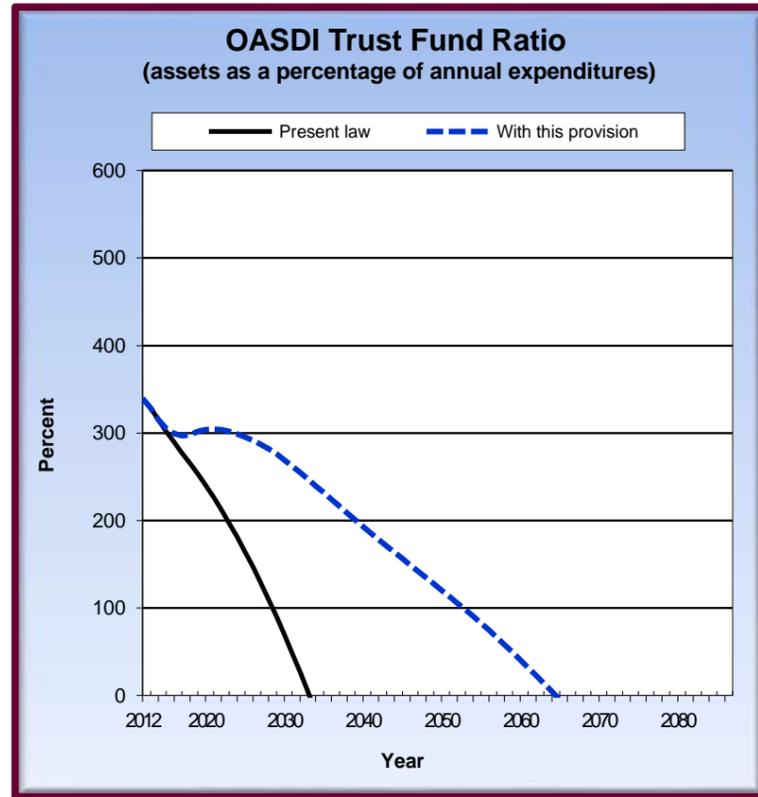
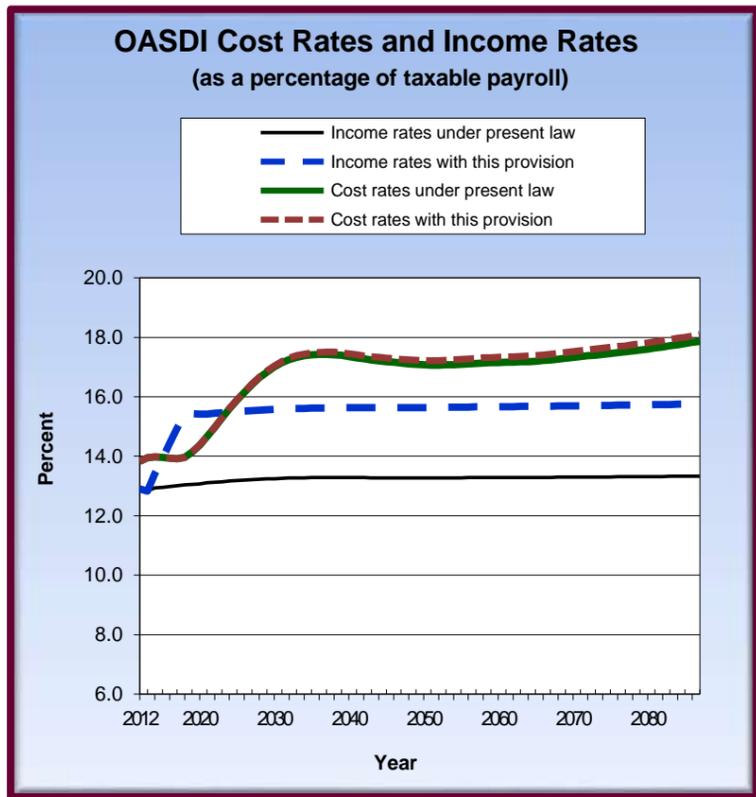


Summary Measures and Graphs

Category of Change: Payroll Taxes (including maximum taxable)

Proposed Provision: Eliminate the taxable maximum in years 2018 and later. Phase in elimination by taxing all earnings above the current law taxable maximum at 2.48% in 2014, 4.96% in 2015, up to 12.4% in 2018 and later. Credit the additional earnings for benefit purposes by: (a) calculating a second average indexed monthly earnings (AIME+) reflecting only earnings taxed above the current law taxable maximum, (b) applying a 5 percent factor on this newly computed AIME+ to develop a second component of the PIA, and (c) adding this second component to the current-law PIA.

<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
-2.67%	-4.50%	2.11%	2.21%	-0.56%	-2.30%



Estimates based on the intermediate assumptions of the 2012 Trustees Report

Office of the Chief Actuary, Social Security
May 14, 2013