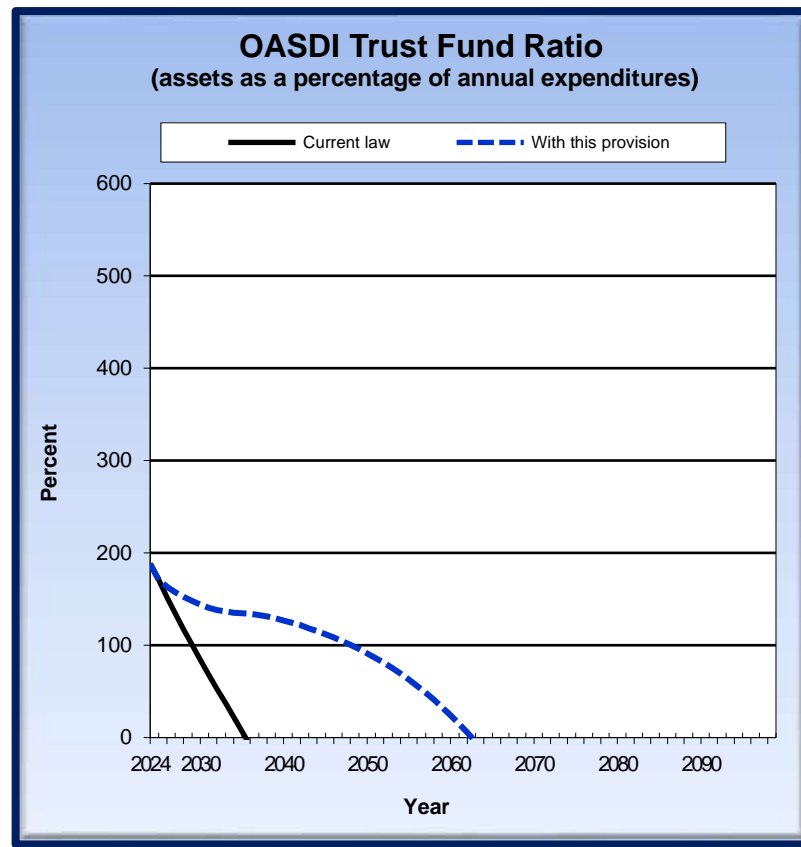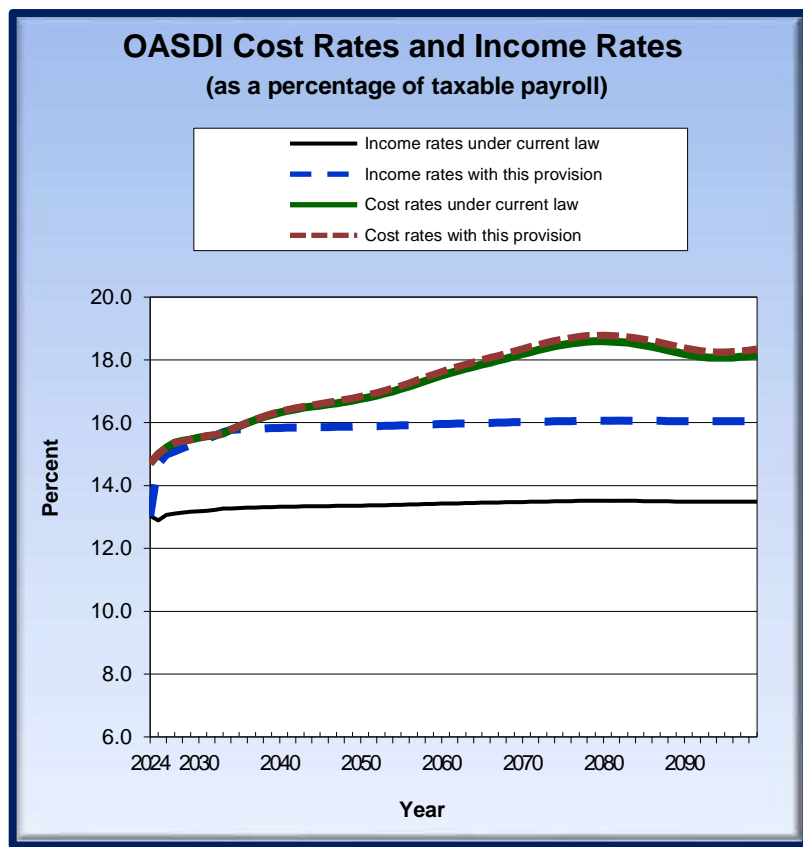# Summary Measures and Graphs

Category of Change: Payroll Taxes (including maximum taxable)

Proposed Provision: E2.16. Apply OASDI 12.4 percent payroll tax rate on earnings above $250,000 starting in 2025, and tax all earnings once the current-law taxable maximum exceeds $250,000. Increase the computed level of the SSA average wage index for years after 2024 by amounts ranging from 0.7 percent for 2025 to 0.9 percent for 2033 and later. 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 2024 that were in excess of that year's current-law taxable maximum; and (2) a formula factor of 2 percent on this newly computed "AIME+".

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
-3.50	-4.64	2.34	2.38	67%	51%

OASDI Cost Rates and Income Rates
(as a percentage of taxable payroll)

- Income rates under current law
- Income rates with this provision
- Cost rates under current law
- Cost rates with this provision

OASDI Trust Fund Ratio
(assets as a percentage of annual expenditures)

- Current law
- With this provision

Estimates based on the intermediate assumptions of the 2024 Trustees Report