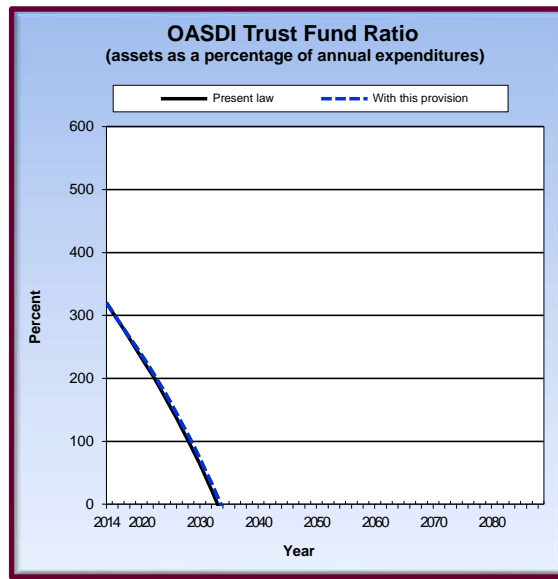
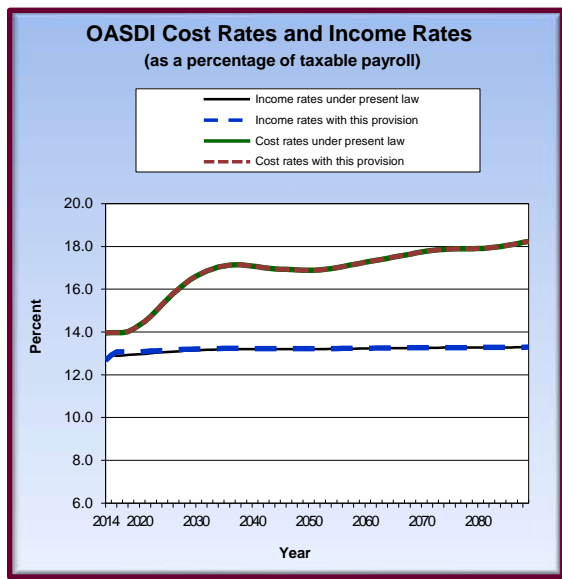


Summary Measures and Graphs
Category of Change: Taxation of Benefits

Proposed Provision: Tax Reform for Individuals: Starting in 2016, 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 7.5 percent, with 60 percent of this revenue going to OASDI and 40 percent going to HI.

| Present Law [percent of payroll] | | Change From Present 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 |
| -2.88 | -4.90 | 0.04 | 0.00 | 1% | 0% |



Estimates based on the intermediate assumptions of the 2014 Trustees Report

Office of the Chief Actuary, Social Security
 September 18, 2014