

Distribution Table 2016 005a
Percent of Families with Tax Benefits for Retirement Savings
 2016 Income Levels and Law

Family Size Adjusted Cash Income Percentile	Roth Defined Contribution Plans and Accounts (%)	Traditional Defined Contribution Plans and Accounts (%)	Defined Benefit Plans (%)	Non-Deductible IRAs (%)	Saver's Credit (%)
0 to 10	0.00	1.16	2.57	0.02	0.00
10 to 20	0.07	4.01	5.85	0.05	0.58
20 to 30	0.50	8.88	8.34	0.13	4.34
30 to 40	0.93	15.20	11.67	0.23	9.22
40 to 50	1.75	23.16	16.64	0.31	13.35
50 to 60	2.77	31.64	21.66	0.49	9.37
60 to 70	3.90	39.49	26.13	0.76	4.57
70 to 80	6.02	48.38	31.96	1.23	0.98
80 to 90	8.65	58.22	37.82	1.90	0.38
90 to 95	9.16	63.36	40.29	2.68	0.18
95 to 99	3.35	63.38	36.49	5.94	0.17
99 to 99.9	2.20	59.22	27.80	9.31	0.00
99.9 to 100	1.60	55.03	23.94	8.36	0.00
Total	3.07	29.32	20.02	0.98	4.30

* Families with negative incomes are excluded from the lowest income decile but included in the total line.

** Percentiles begin at family size-adjusted cash income of: \$11,362 for 10 to 20; \$16,541 for 20 to 30; \$21,950 for 30 to 40; \$28,835 for 40 to 50; \$37,566 50 to 60; \$48,286 60 to 70; \$60,688 for 70 to 80; \$78,976 for 80 to 90; \$113,593 for 90 to 95; \$159,196 for 95 to 99; \$361,502 for 99 to 99.9 and \$1,636,585 for Top .1.

*** Cash Income consists of wages and salaries, net income from a business or farm, taxable and tax-exempt interest, dividends, rental income, realized capital gains, cash and near-cash transfers from the government, retirement benefits, and employer-provided health insurance (and other employer benefits). Employer contributions for payroll taxes and the federal corporate income tax are added to place cash on a pre-tax basis. Families are placed into deciles based on cash income adjusted for family size, by dividing income by the square root of family size.



Distribution Table 2016 005b
Present Value of Tax Benefits for Retirement Savings as a Share of After-Tax Income
 2016 Income Levels and Law

Family Size Adjusted Cash Income Percentile	Roth Defined Contribution Plans and Accounts (%)	Traditional Defined Contribution Plans and Accounts (%)	Defined Benefit Plans (%)	Non-Deductible IRAs (%)	Saver's Credit (%)
0 to 10	0.00	0.01	0.02	0.00	0.00
10 to 20	0.00	0.02	0.04	0.00	0.00
20 to 30	0.00	0.08	0.08	0.00	0.04
30 to 40	0.01	0.16	0.14	0.00	0.05
40 to 50	0.02	0.26	0.22	0.00	0.05
50 to 60	0.02	0.38	0.32	0.00	0.03
60 to 70	0.03	0.51	0.42	0.00	0.01
70 to 80	0.06	0.74	0.59	0.00	0.00
80 to 90	0.08	1.06	0.76	0.00	0.00
90 to 95	0.08	1.26	0.82	0.01	0.00
95 to 99	0.03	1.13	0.65	0.01	0.00
99 to 99.9	0.02	0.63	0.34	0.01	0.00
99.9 to 100	0.00	0.08	0.05	0.00	0.00
Total	0.04	0.70	0.48	0.00	0.01

* Families with negative incomes are excluded from the lowest income decile but included in the total line.

** Percentiles begin at family size-adjusted cash income of: \$11,362 for 10 to 20; \$16,541 for 20 to 30; \$21,950 for 30 to 40; \$28,835 for 40 to 50; \$37,566 for 50 to 60; \$48,286 for 60 to 70; \$60,688 for 70 to 80; \$78,976 for 80 to 90; \$113,593 for 90 to 95; \$159,196 for 95 to 99; \$361,502 for 99 to 99.9 and \$1,636,585 for Top .1.

*** Assumptions: Taxes are paid out of savings, tax rates in retirement life are the same as in work life, the return on savings is taxed annually at statutory (ordinary) rates if each tax expenditure is eliminated, individuals self-annuitize in a non-inflation adjusted manner at retirement and the return on savings is equal to the discount rate.

**** The change in tax burden from tax preferred savings is estimated as the present value of the tax savings on one year's contributions to tax preferred retirement accounts and plans. The present value method discounts future tax payments or savings to reflect its current value.

***** Cash Income consists of wages and salaries, net income from a business or farm, taxable and tax-exempt interest, dividends, rental income, realized capital gains, cash and near-cash transfers from the government, retirement benefits, and employer-provided health insurance (and other employer benefits). Employer contributions for payroll taxes and the federal corporate income tax are added to place cash on a pre-tax basis. Families are placed into deciles based on cash income adjusted for family size, by dividing income by the square root of family size.

***** The tax benefits for retirement savings measures the change in potential consumption as a result of these benefits, unlike the tax expenditure for retirement savings which measures the change in government revenues as a result of providing these benefits.



Distribution Table 2016 005c
Share of Present Value of Tax Benefits for Retirement Savings by Income Class
2016 Income Levels and Law

Family Size Adjusted Cash Income Percentile	Roth Defined Contribution Plans and Accounts (%)	Traditional Defined Contribution Plans and Accounts (%)	Defined Benefit Plans (%)	Non-Deductible IRAs (%)	Saver's Credit (%)
0 to 10	0.0	0.0	0.1	0.0	0.0
10 to 20	0.1	0.1	0.3	0.1	0.9
20 to 30	0.4	0.4	0.6	0.2	11.8
30 to 40	1.2	1.0	1.4	0.5	21.8
40 to 50	2.4	2.2	2.7	0.7	28.1
50 to 60	4.6	4.0	5.0	1.3	22.1
60 to 70	7.6	6.8	8.1	1.7	11.0
70 to 80	16.1	12.3	14.2	4.5	2.4
80 to 90	32.5	23.4	24.3	11.5	1.3
90 to 95	21.8	19.3	18.2	15.2	0.4
95 to 99	9.7	22.7	18.7	42.6	0.3
99 to 99.9	3.3	7.0	5.6	19.7	0.0
99.9 to 100	0.3	0.8	0.8	1.9	0.0
Total	100.0	100.0	100.0	100.0	100.0
Amount (bil. \$)	4.6	79.9	55.2	0.4	1.3

* Families with negative incomes are excluded from the lowest income decile but included in the total line.

** Percentiles begin at family size-adjusted cash income of: \$11,362 for 10 to 20; \$16,541 for 20 to 30; \$21,950 for 30 to 40; \$28,835 for 40 to 50; \$37,566 50 to 60; \$48,286 60 to 70; \$60,688 for 70 to 80; \$78,976 for 80 to 90; \$113,593 for 90 to 95; \$159,196 for 95 to 99; \$361,502 for 99 to 99.9 and \$1,636,585 for Top .1.

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