

Table 5-3. Scheduled Tier 1 and Tier 2 Tax Rates
Selected Years 1975-2014

Year	Tier 1 and Hospital Insurance			Tier 2			Combined ^a	
	Employer	Employee	Wage Base	Employer	Employee	Wage Base	Employer	Employee
1975	5.85	5.85	\$14,100	9.50	0.00	\$14,100	15.35	5.85
1980	6.13	6.13	\$25,900	9.50	0.00	\$20,400	15.63	6.13
1985	7.05	7.05	\$39,600	13.75	3.50	\$29,700	20.8	10.55
1990	7.65	7.65	\$51,300	16.10	4.90	\$38,100	23.75	12.55
1995	7.65	7.65	\$61,200	16.10	4.90	\$45,300	23.75	12.55
2000	7.65	7.65	\$76,200	16.10	4.90	\$56,700	23.75	12.55
2001	7.65	7.65	\$80,400	16.10	4.90	\$59,700	23.75	12.55
2002	7.65	7.65	\$84,900	15.60	4.90	\$63,000	23.25	12.55
2003	7.65	7.65	\$87,000	14.20	4.90	\$64,500	21.85	12.55
2004	7.65	7.65	\$87,900	13.10	4.90	\$65,100	20.75	12.55
2005	7.65	7.65	\$90,000	12.60	4.40	\$66,900	20.25	12.05
2006	7.65	7.65	\$94,200	12.60	4.40	\$69,900	20.25	12.05
2007	7.65	7.65	\$97,500	12.10	3.90	\$72,600	19.75	11.55
2008	7.65	7.65	\$102,000	12.10	3.90	\$75,900	19.75	11.55
2009	7.65	7.65	\$106,800	12.10	3.90	\$79,200	19.75	11.55
2010	7.65	7.65	\$106,800	12.10	3.90	\$79,200	19.75	11.55
2011	7.65	5.65 ^b	\$106,800	12.10	3.90	\$79,200	19.75	9.55
2012	7.65	5.65 ^b	\$110,100	12.10	3.90	\$81,900	19.75	9.55
2013	7.65	7.65 ^c	\$113,700	12.60	4.40	\$84,300	20.25	12.05
2014	7.65	7.65 ^c	\$117,000	12.60	4.40	\$87,000	20.25	12.05

Source: U.S. Railroad Retirement Board

Notes: October 1, 1973 was the effective date for the allocation of railroad retirement taxes by tiers. This table was updated on September 18, 2014 for the 2014 version of the House Ways and Means Committee Green Book.

a. The combined tax rate applies only up to the tier 2 maximum wage base. Wages above the tier 2 maximum wage base are subject to the tier 1 payroll tax rate up to the higher tier 1 maximum wage base, and to the 1.45% Hospital Insurance (Medicare Part A) tax. Wages above the tier 1 maximum wage base are subject only to the 1.45% Hospital Insurance (Medicare Part A) tax.

b. In 2011 and 2012, a payroll tax holiday reduced the tier 1 payroll tax rate for employees and the self-employed by 2 percentage points. General revenues were transferred to the Social Security Equivalent Benefit Account in amounts equal to the reduction in tier 1 payroll tax revenues.

c. Beginning in 2013, employees pay an additional 0.9 percent Hospital Insurance tax on earnings above \$200,000 (for those who file an individual return) or \$250,000 (for those who file a joint return). This additional tax rate is not reflected in the tax rates shown in the table.