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The Social Security Retirement Age

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Summary

The Social Security *full retirement age* (FRA) is the age at which workers can first claim *full* (i.e., unreduced) Social Security retired-worker benefits. Among other factors, a worker's monthly benefit amount is affected by the age at which he or she claims benefits relative to the FRA. Benefit adjustments are made based on the number of months before or after the FRA the worker claims benefits. The adjustments are intended to provide the worker with roughly the same total lifetime benefits, regardless of when he or she claims benefits, based on average life expectancy. Claiming benefits before the FRA results in a permanent reduction in monthly benefits (to take into account the longer expected period of benefit receipt); claiming benefits after the FRA results in a permanent increase in monthly benefits (to take into account the shorter expected period of benefit receipt).

The FRA was 65 at the inception of Social Security in the 1930s. Under legislation enacted in 1983, the FRA increases gradually from 65 to 67 over a 22-year period (for those reaching age 62 between 2000 and 2022). The FRA is 67 for workers born in 1960 or later (i.e., for workers who become eligible for retirement benefits at age 62 in 2022 or later).

Workers can claim *reduced* retirement benefits as early as age 62 (the *early eligibility age*). For workers with an FRA of 66, for example, claiming benefits at age 62 results in a 25% reduction in monthly benefits. For workers with an FRA of 67, claiming benefits at age 62 results in a 30% benefit reduction. A majority of retired-worker beneficiaries claim benefits before the FRA. In 2021, when the FRA was 66 and 10 months for workers eligible for Social Security benefits in that year (i.e., those born in 1959), 29% of new retired-worker beneficiaries were age 62; 57% were under the age of 66.

Workers who delay claiming benefits until after the FRA receive a *delayed retirement credit*, which applies up to the age of 70. For workers with an FRA of 66, for example, claiming benefits at age 70 results in a 32% increase in monthly benefits. For workers with an FRA of 67, claiming benefits at age 70 results in a 24% benefit increase. In 2021, about one-fourth (25%) of new retired-worker beneficiaries were age 66; 18% were over the age of 66.

Some lawmakers have called for increasing the Social Security retirement age in response to the system's projected financial imbalance, citing gains in life expectancy for the population overall. Other lawmakers, however, express concern that increasing the retirement age would disproportionately affect certain groups within the population, citing differences in life expectancy by socioeconomic groups. Differential gains in life expectancy are important in the context of Social Security because the actuarial adjustments for claiming benefits before or after the full retirement age are based on *average* life expectancy. Proposals to increase the retirement age are also met with concerns about the resulting hardship for certain workers, such as those in physically demanding occupations, who may be unable to work until older ages and may not qualify for Social Security disability benefits. For an in-depth discussion of potential changes in the Social Security retirement age in the context of life expectancy trends, see CRS Report R44846, *The Growing Gap in Life Expectancy by Income: Recent Evidence and Implications for the Social Security Retirement Age*.

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Introduction

The Social Security *full retirement age* (FRA) is the age at which workers can first claim *full* (i.e., unreduced) Social Security retired-worker benefits.[1] Among other factors, the age at which an individual begins receiving Social Security benefits has an impact on the size of the monthly benefits. Claiming benefits before the FRA can substantially reduce monthly benefits, whereas claiming benefits after the FRA can lead to a substantial increase in monthly benefits. Benefit adjustments are made based on the number of months before or after the FRA the worker claims benefits. The adjustments are intended to result in roughly the same total lifetime benefits, regardless of when the worker claims benefits, based on average life expectancy.

The FRA was 65 at the inception of Social Security in the 1930s. As part of legislation enacted in 1983, the FRA increases gradually from 65 to 67 over a 22-year period that started for those who turned age 62 in 2000. The increase in the FRA is fully phased in (the FRA is 67) for workers born in 1960 or later (i.e., for workers who become eligible for retirement benefits at age 62 in 2022).

Workers can claim Social Security retired-worker benefits as early as age 62, the *early eligibility age* (EEA). However, workers who claim benefits before the FRA are subject to a permanent reduction in their benefits. Spouses can also claim reduced spousal benefits based on the worker's earnings as early as age 62. Other types of dependents can claim benefits before the age of 62.[2]

Workers who claim benefits after the FRA receive a delayed retirement credit that results in a permanent increase in their monthly benefits. The credit applies up to the age of 70. Claiming benefits after attainment of age 70 does not result in any further increase in monthly benefits.[3]

Full Retirement Age

The FRA was 65 at the inception of Social Security. According to Robert Myers, who worked on the creation of the Social Security program in 1934 and later served in various senior and appointed capacities at the Social Security Administration (SSA), "Age 65 was picked because 60 was too young and 70 was too old. So we split the difference."[4] On the other hand, SSA suggests that the Committee on Economic Security (CES)[5] made the proposal of 65 as the retirement age due to the prevalence of private and state pension systems using 65 as the retirement age and the favorable actuarial outcomes for 65 as the retirement age.[6]

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[1] The FRA is also referred to as the normal retirement age (NRA). In statute, the term *retirement age* is used. See Social Security Act, §216(l) (42 U.S.C. §416[l]).

[2] Widow(er)'s benefits can be claimed as early as age 60; disabled widow(er)'s benefits can be claimed as early as age 50. These benefits are also subject to reduction if claimed before the FRA. There is no minimum eligibility age for dependent child's benefits. For more details, see "Benefits for the Worker's Family Members" in CRS Report R42035, *Social Security Primer*.

[3] The delayed retirement credit applies to the period that begins with the month the worker attains the FRA and ends with the month before he or she attains the age of 70.

[4] Robert J. Myers and Richard L. Vernaci, *Within the System: My Half Century in Social Security* (Winsted, CT: ACTEX Publications, 1992), pp. 93-94.

[5] The President's CES was formed in June 1934 and was given the task of devising "recommendations concerning proposals which in its judgment will promote greater economic security." For information regarding the CES, see SSA, "The Committee on Economic Security (CES)," https://www.ssa.gov/history/reports/ces/cesbasic.html.

[6] SSA, "Age 65 Retirement," at https://www.ssa.gov/history/age65.html. The actuarial studies in the 1930s showed that using age 65 produced a manageable system that could easily be made self-sustaining with only modest levels of

In 1983, Congress increased the FRA as part of the Social Security Amendments of 1983,[7] which made major changes to Social Security's financing and benefit structure to address the system's financial imbalance at the time.[8] Among other changes, the FRA was increased gradually from 65 to 67 for workers born in 1938 or later. Under the scheduled increases enacted in 1983, the FRA increases to 65 and two months for workers born in 1938. The FRA continues to increase by two months every birth year until the FRA reaches 66 for workers born in 1943 to 1954. Starting with workers born in 1955, the FRA increases again in two-month increments until the FRA reaches 67 for workers born in 1960 or later. The increase in the FRA, one of many provisions in the 1983 amendments designed to improve the system's financial outlook, was based on the rationale that it would reflect increases in longevity and improvements in the health status of workers.[9] The 1983 amendments did not change the early eligibility age of 62 (discussed below); however, the increase in the FRA results in larger benefit reductions for workers who claim benefits between the age of 62 and the FRA.[10] **Table 1** shows the FRA by worker's year of birth under current law.

Table 1. Age to Receive Full Social Security Benefits

Year of Birth	Full Retirement Age (FRA)	Year the Individual Attains Age 62	Year the Individual Attains FRA
1937 or earlier	65	1999 or earlier	2002 or earlier
1938	65 and 2 months	2000	2003 or 2004
1939	65 and 4 months	2001	2004 or 2005
1940	65 and 6 months	2002	2005 or 2006
1941	65 and 8 months	2003	2006 or 2007
1942	65 and 10 months	2004	2007 or 2008
1943-1954	66	2005-2016	2009-2020
1955	66 and 2 months	2017	2021 or 2022
1956	66 and 4 months	2018	2022 or 2023
1957	66 and 6 months	2019	2023 or 2024
1958	66 and 8 months	2020	2024 or 2025
1959	66 and 10 months	2021	2025 or 2026
1960 or later	67	2022 or later	2027 or later

Source: Social Security Administration, https://www.ssa.gov/planners/retire/retirechart.html.

Note: Persons born on January 1 of any year should refer to the previous year of birth.

payroll taxation.

7 P.L. 98-21.

8 An increase in the FRA is a form of benefit reduction. Those who claim benefits at the higher FRA, for example, receive fewer months of benefits and a reduction in the total amount of lifetime Social Security benefits holding everything else constant.

9 For example, see Rep. Elliott H. Levitas, "Social Security Amendments of 1983," House debate, *Congressional Record*, vol. 129, part 4 (March 9, 1983), p. 4517; Rep. Beryl Anthony Jr., "Social Security Amendments of 1983," House debate, *Congressional Record*, vol. 129, part 4 (March 9, 1983), p. 4600.

10 For example, retired-worker benefits claimed at age 62 are reduced by 20% if the worker's FRA is 65, by 25% if the worker's FRA is 66, and by 30% if the worker's FRA is 67.

Early Eligibility Age (EEA)

Currently, the EEA is 62 for workers and spouses; this is the earliest age at which they can claim retirement or spousal benefits. Benefits claimed between age 62 and the FRA, however, are subject to a permanent reduction for "early retirement." When the original Social Security Act was enacted in 1935,[11] the earliest age to receive retirement benefits was the FRA (age 65). In 1956, the eligibility age was lowered from 65 to 62 for female workers, wives, widows, and female dependent parents.[12] This was to allow wives, who traditionally were younger than their husbands, to qualify for benefits at the same time as their husbands.[13] Benefits for female workers and wives were subject to reduction if claimed between the ages of 62 and 65; the reduction did not apply to benefits for widows and female dependent parents.

In 1961, the eligibility age was lowered from 65 to 62 for men as well.[14] Benefits for male workers and husbands were subject to reduction if claimed between the ages of 62 and 65; the reduction did not apply to widowers and male dependent parents. Although the eligibility age was made consistent for male and female workers, an inconsistency remained in the calculation of benefits. A man the same age as a woman needed more Social Security credits to qualify for benefits, and, if his earnings were identical to hers, usually received a lower benefit because his earnings were averaged over a longer period. This inconsistency was addressed in legislation enacted in 1972 which provided that retirement benefits would be computed the same way for men and women (the provision was fully effective for men reaching age 62 in 1975 or later).[15]

In subsequent years, further adjustments were made to the eligibility age for surviving spouses.[16] The eligibility age was lowered to age 60 for widows (1965),[17] age 50 for disabled widow(er)s (1967),[18] and age 60 for widowers (1972).[19]

Actuarial Modification to Benefits: Claiming Before or After the FRA

Benefits are adjusted based on the age at which a person claims benefits to provide roughly the same total lifetime benefits regardless of when a person begins receiving benefits, based on average life expectancy. The earlier a worker begins receiving benefits (before the FRA), the lower the monthly benefit will be, to offset the longer expected period of benefit receipt. Conversely, the longer a worker delays claiming benefits (past the FRA), the higher the monthly benefit will be, to take into account the shorter expected period of benefit receipt. The benefit

[11] P.L. 74-271, Social Security Act.

[12] P.L. 84-880, Social Security Amendments of 1956.

[13] For example, see Rep. Thomas A. Jenkins, "Social Security Amendments of 1955," House debate, *Congressional Record*, vol. 101, part 8 (July 18, 1955), p. 10778; Rep. Wilbur Mills, "Social Security Amendments of 1955," House debate, *Congressional Record*, vol. 101, part 8 (July 18, 1955), p. 10785.

[14] P.L. 87-64, Social Security Amendments of 1961.

[15] P.L. 92-603, Social Security Amendments of 1972.

[16] Benefits for surviving spouses are subject to reduction if claimed before the FRA (and other factors); see "Benefits for the Worker's Family Members" in CRS Report R42035, *Social Security Primer*.

[17] P.L. 89-97, Social Security Amendments of 1965.

[18] P.L. 90-248, Social Security Amendments of 1967.

[19] P.L. 92-603, Social Security Amendments of 1972.

adjustment is based on the number of months between the month the worker attains the FRA and the month he or she claims benefits. The day of birth is ignored for adjustment purposes, except for those born on the first of the month. Workers born on the first of the month base their FRA as if their birthday was in the previous month (e.g., someone born on February 1, 1980, who has an FRA of 67, can apply for full retirement benefits in January 2047). A calculator on SSA's website allows the user to enter his or her date of birth and the expected month of initial benefit receipt to see the effect of early or delayed retirement; the effect is shown as a percentage of the full benefit payable at the FRA.[20]

Actuarial Reduction for Claiming Benefits Before the FRA

When a worker claims benefits before the FRA, there is an *actuarial reduction* in monthly benefits. The reduction for claiming benefits before the FRA can be sizable and it is permanent; all future monthly benefits are payable at the actuarially reduced amount. For each of the 36 months immediately preceding the FRA, the monthly rate of reduction from the full retirement benefit is five-ninths of 1%. This equals a 6⅔% reduction each year. For each month earlier than three years (36 months) before the FRA, the monthly rate of reduction is five-twelfths of 1%. This equals a 5% reduction each year. The earliest a worker can claim retirement benefits is age 62. For a worker with an FRA of 67, claiming benefits at 62 results in a 30% reduction in their monthly benefit. **Table 2** shows the actuarial reduction applied to retired-worker benefits based on the FRA and the age at which benefits are claimed.[21]

Table 2. Benefit Reduction for Early Retirement by Full Retirement Age (FRA)

FRA	Actuarial Reduction to Monthly Amount If Worker Claims at Age...				
	62	63	64	65	66
65	20%	13 ⅓%	6 ⅔%	0%	a
66	25%	20%	13 ⅓%	6 ⅔%	0%
67	30%	25%	20%	13 ⅓%	6 ⅔%

Source: Social Security Administration, https://www.ssa.gov/planners/retire/retirechart.html.

a. With an FRA of 65, claiming retired-worker benefits at age 66 leads to a *delayed retirement credit*, resulting in an increase in monthly benefits, as opposed to a reduction.

Delayed Retirement Credit for Claiming Benefits After the FRA

Workers who claim benefits after the FRA receive a *delayed retirement credit* (DRC). As with the actuarial reduction for early retirement, the delayed retirement credit is permanent. The DRC has been modified over the years. Initially, the Social Security Amendments of 1972[22] provided a delayed retirement credit that increased benefits by one-twelfth of 1% for each month between ages 65 and 72 that a worker did not claim benefits (i.e., 1% per year). The credit, which was effective after 1970, applied only to the worker's benefit; it did not apply to a widow(er)'s benefit

[20] The calculator is available at https://www.ssa.gov/oact/quickcalc/early_late.html#calculator.

[21] Actuarial reductions for spouses and widow(er)s are different; see SSA, "Benefit Reduction for Early Retirement," at https://www.ssa.gov/oact/quickcalc/earlyretire.html; and SSA, "Receiving Survivors Benefits Early," at https://www.ssa.gov/benefits/survivors/survivorchartred.html.

[22] P.L. 92-603.

payable on the worker's record. The Social Security Amendments of 1977[23] increased the credit to 3% per year and included the credit in the computation of a widow(er)'s benefit.

The credit was further increased under the Social Security Amendments of 1983.[24] As shown in **Table 3**, the credit increases gradually based on the worker's year of birth until it reaches 8% per year (two-thirds of 1% per month) for workers born in 1943 or later (i.e., workers who became eligible for retirement benefits or turned age 62 in 2005 or later). In addition, the maximum age at which the DRC applies was lowered from 72 to 70. Any further delay in claiming benefits past age 70 does not result in a higher benefit. The increase in the DRC was intended to ensure that workers who claim benefits after the FRA receive roughly the same total lifetime benefits as if they had claimed benefits earlier (based on average life expectancy). A worker with an FRA of 66, for example, receives a 32% benefit increase if he or she claims benefits at age 70; a worker with an FRA of 67 receives a 24% benefit increase.

Table 3. Benefit Increase for Delayed Retirement by Birth Year

Year of Birth	Full Retirement Age	Monthly Credit	Annual Credit	Total Credit at Age 70[a]
1916 or earlier	65	1/12 of 1%	1%	5%
1917-1924	65	1/4 of 1%	3%	15%
1925-1926	65	7/24 of 1%	3 1/2%	17 1/2%
1927-1928	65	1/3 of 1%	4%	20%
1929-1930	65	3/8 of 1%	4 1/2%	22 1/2%
1931-1932	65	5/12 of 1%	5%	25%
1933-1934	65	11/24 of 1%	5 1/2%	27 1/2%
1935-1936	65	1/2 of 1%	6%	30%
1937	65	13/24 of 1%	6 1/2%	32 1/2%
1938	65 and 2 months	13/24 of 1%	6 1/2%	31 5/12%
1939	65 and 4 months	7/12 of 1%	7%	32 2/3%
1940	65 and 6 months	7/12 of 1%	7%	31 1/2%
1941	65 and 8 months	5/8 of 1%	7 1/2%	32 1/2%
1942	65 and 10 months	5/8 of 1%	7 1/2%	31 1/4%
1943-1954	66	2/3 of 1%	8%	32%
1955	66 and 2 months	2/3 of 1%	8%	30 2/3%
1956	66 and 4 months	2/3 of 1%	8%	29 1/3%
1957	66 and 6 months	2/3 of 1%	8%	28%
1958	66 and 8 months	2/3 of 1%	8%	26 2/3%
1959	66 and 10 months	2/3 of 1%	8%	25 1/3%
1960 or later	67	2/3 of 1%	8%	24%

Source: C.F.R. §404.313.

Notes: Persons born on January 1 of any year should refer to the previous year of birth.

[23] P.L. 95-216.

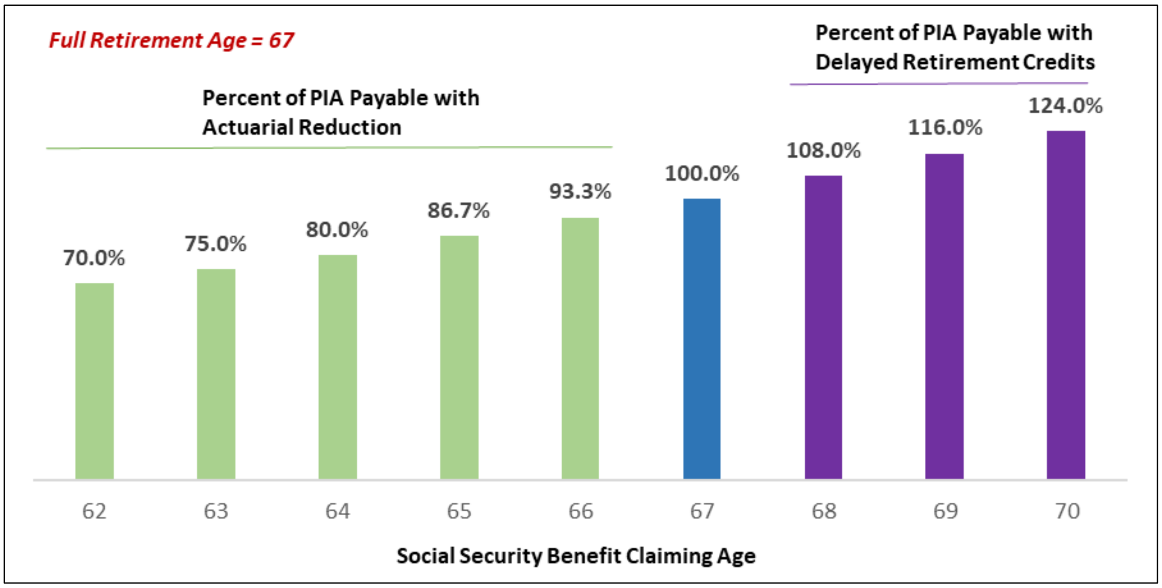
[24] P.L. 98-21.

a. The total amount of credit at age 70 is available to retired workers who start to receive Social Security benefits at ages 70 or older under current law.

Figure 1 illustrates the effect of claiming age on benefit levels based on an FRA of 67. If the worker claims retirement benefits at age 62, for example, his or her benefit would be equal to 70% of the full benefit amount—a 30% permanent reduction based on claiming retirement benefits five years before attaining the FRA. If the worker delays claiming retirement benefits until age 70, however, his or her benefit would be equal to 124% of the full benefit amount—a 24% permanent increase for claiming benefits three years after the FRA.

Figure 1. Effect of Claiming Age on Benefit Levels

Based on an FRA of 67



Source: Congressional Research Service.

Notes: PIA = Primary Insurance Amount. The PIA is the benefit payable to the worker at his or her FRA.

Retirement Earnings Test

The decision to claim Social Security benefits before the FRA results in a permanent reduction in monthly benefits for early retirement. In addition, if a Social Security beneficiary is below the FRA and has current earnings, he or she is subject to the *retirement earnings test* (RET).[25] Stated generally, Social Security benefits are withheld partially or fully, for one or more months, if current earnings exceed specified thresholds.

There are two separate earnings thresholds (or *exempt amounts*) under the RET. The first (lower) threshold applies to beneficiaries who are below the FRA and *will not attain* the FRA during the year. In 2022, the lower earnings threshold is $19,560.[26] If a beneficiary has earnings that exceed the lower threshold, SSA withholds $1 of benefits for every $2 of earnings above the threshold.

[25] The RET does not apply to Social Security disability beneficiaries, who are subject to separate limitations on earnings. For more information about Social Security Disability Insurance, see CRS In Focus IF10506, *Social Security Disability Insurance (SSDI)*.

[26] The earnings thresholds generally increase each year based on average wage growth in the economy. See SSA,

The second (higher) threshold applies to beneficiaries who are below the FRA and *will attain* the FRA during the year. In 2022, the higher earnings threshold is $51,960. If a beneficiary has earnings that exceed the higher threshold, SSA withholds $1 of benefits for every $3 of earnings above the threshold. The RET no longer applies beginning with the month the beneficiary attains the FRA. In other words, once the beneficiary attains the FRA, his or her benefits are no longer subject to withholding based on earnings.[27]

During the first year of benefit receipt, a special *monthly* earnings test applies.[28] Regardless of the amount of annual earnings in the first year of benefit receipt, benefits are not withheld for any month in which earnings do not exceed a monthly exempt amount (the monthly exempt amount is equal to 1/12 of the annual exempt amount). In 2022, the monthly exempt amounts are $1,630 ($19,560/12) and $4,330 ($51,960/12).

For example, consider a worker who claims benefits at age 62 in January 2022 and has no earnings during the year except for a consulting project that pays $20,000 in July. Although the beneficiary's annual earnings ($20,000) exceed the annual exempt amount ($19,560), benefits are withheld only for the month of July. The beneficiary has $0 earnings in all other months; July is the only month in which earnings exceed the monthly exempt amount ($1,630).

Benefits withheld under the RET are not "lost" on a permanent basis. When a beneficiary attains the FRA and is no longer subject to the RET, SSA automatically recalculates the benefit, taking into account any months for which benefits were partially or fully withheld under the RET. Stated generally, there is no actuarial reduction for early retirement for any month in which benefits were partially or fully withheld under the RET. The recalculation results in a higher monthly benefit going forward.[29] Starting at the FRA, the beneficiary begins to recoup the value of benefits withheld under the RET; the beneficiary recoups the full value of those benefits if he or she lives to average life expectancy.[30]

Age Distribution of New Retired-Worker Beneficiaries

Statistics published by SSA show that a majority of retired-worker beneficiaries claim benefits before the FRA.[31] **Figure 2** shows the age distribution of new retired-worker beneficiaries in 2021.[32] Among about 2.7 million new retired-worker beneficiaries that year, 29% claimed

"Exempt Amounts Under the Earnings Test," at https://www.ssa.gov/OACT/COLA/rtea.html.

[27] The Senior Citizens' Freedom to Work Act of 2000 (P.L. 106-182) eliminated the RET for beneficiaries at the FRA or older.

[28] A person may claim retired-worker benefits in the middle of the year, for example, and have already earned more than the annual earnings limit under the RET.

[29] For more information, see CRS Report R41242, *Social Security Retirement Earnings Test: How Earnings Affect Benefits*.

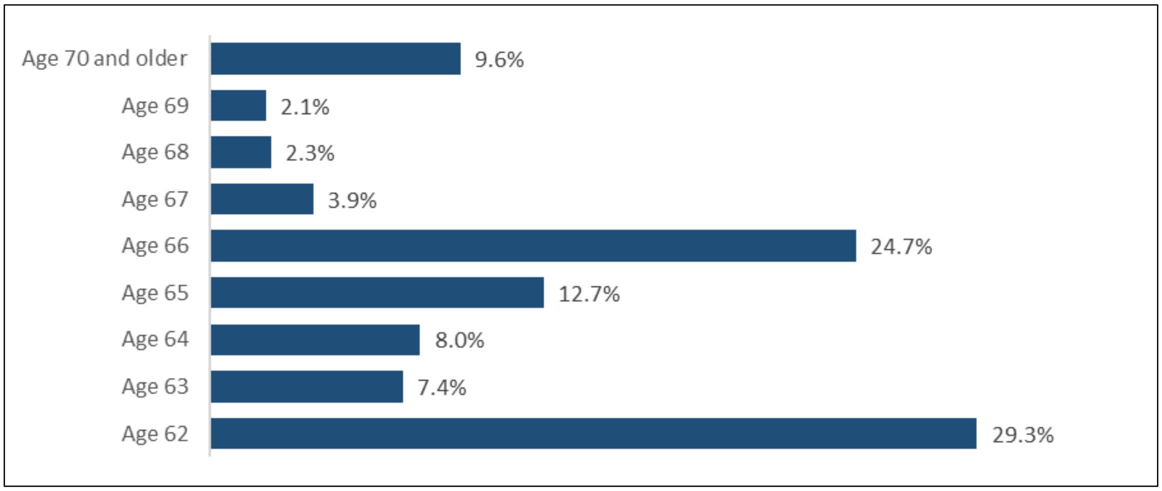
[30] For more information, see SSA, Office of Retirement Policy, "Retirement Earnings Test," at https://www.ssa.gov/retirementpolicy/program/retirement-earnings-test.html.

[31] SSA, Annual Statistical Supplement, 2022 (in progress), Table 6.A4, at https://www.ssa.gov/policy/docs/statcomps/supplement/2022/6a.html#table6.a4.

[32] In 2021, there were 3.2 million new retired-worker beneficiaries, including 2.7 million "new entitlements" and 0.5 million "disability conversions" (i.e., disabled-worker beneficiaries who were automatically converted to retired-worker beneficiaries when they attained the FRA). **Figure 2** does not include beneficiaries in the "disability conversion" category.

benefits at age 62 (the first year of eligibility) and 57% were under the age of 66. Approximately one-fourth (25%) of new retired-worker beneficiaries claimed benefits at age 66, while 18% were age 67 or older. The percentage of retired-worker beneficiaries who claim benefits at earlier ages has declined in recent years. In 2010, for example, more than one-half (52%) of new retired-worker beneficiaries were age 62 and 81% were under the age of 66.[33]

Figure 2. Age Distribution of New Retired-Worker Beneficiaries in 2021



Source: Social Security Administration, *Annual Statistical Supplement, 2022 (in progress)*, Table 6.A4, https://www.ssa.gov/policy/docs/statcomps/supplement/2022/6a.html#table6.a4.

Note: Figure does not include disabled-worker beneficiaries who were automatically converted to retired-worker beneficiaries upon attaining the FRA.

Proposals to Increase the Retirement Age

The Social Security full retirement age was 65 when the program was established in the 1930s. It remained 65 until 1983, when Congress included an increase in the FRA among many provisions in the Social Security Amendments of 1983,[34] which were designed to address serious near-term and long-range financing problems. The 1983 Amendments became law on April 20, 1983. Without legislative action, it was anticipated that Social Security benefits could not be paid on time beginning in July 1983.[35] The 1983 provision that increased the FRA from 65 to 67 is fully phased in for those who turn age 62 in 2022 or later.[36] The increase in the FRA technically reduces monthly benefits at all claiming ages (see **Table 2** and **Table 3**), thus reducing the program cost on average. Research also suggests that increasing the FRA encourages many people to work longer and delay benefit claiming, thereby increasing the average claiming age for

[33] SSA, *Annual Statistical Supplement, 2011*, Table 6.A4, at https://www.ssa.gov/policy/docs/statcomps/supplement/2011/6a.pdf. For more information of age distribution Social Security benefit claims, see CRS In Focus IF11115, *Social Security Retirement Benefit Claiming Age*.

[34] P.L. 98-21.

[35] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," *Social Security Bulletin*, vol. 46, no. 7 (July 1983), at https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf.

[36] The FRA is 67 for workers born in 1960 or later. A worker born in 1960 becomes eligible for reduced retirement benefits at age 62 in 2022 and eligible for full retirement benefits at age 67 in 2027.

Social Security benefits. This can improve individual retirement benefits and increase payroll tax contributions in the Social Security program.[37]

The Social Security system once again faces projected long-range funding shortfalls. The Social Security Board of Trustees (the Trustees) projects that full Social Security benefits can be paid on time until 2035 with a combination of annual Social Security tax revenues and asset reserves held by the Social Security trust funds. After the projected depletion of combined trust fund reserves in 2035, however, annual tax revenues are projected to cover 80% of benefits scheduled under current law, declining to 74% by 2096.[38]

Over the years, many proposals have been put forth to improve Social Security's financial outlook as well as achieve other policy goals. A common proposal is to increase the FRA, increase the EEA, or both.[39] As in the past, lawmakers who support increasing the retirement age point to gains in average life expectancy as an indicator that people can work until older ages.

Table 4 displays the impacts of selected policy options on the actuarial adjustments to benefits for early or delayed retirement (i.e., for claiming benefits before or after the FRA). Policy options in the table demonstrate a range of possible options that have been proposed to increase the retirement age, including the FRA only, the EEA only, and both. The actuarial adjustments are designed to provide a person with roughly the same total lifetime benefits regardless of the age at which he or she claims benefits, assuming the person lives to average life expectancy.

Increasing the FRA would generally result in a larger actuarial reduction for early benefit claiming and a smaller actuarial increase for delayed benefit claiming at each claiming age. For example, if the FRA increased from age 67 to age 69 while the EEA was kept at age 62, the actuarial reduction to monthly benefits at age 62 would increase from 30% to 40%, while the delayed benefit credit at age 70 would decrease from 24% to 8%.

[37] Jae Song and Joyce Manchester, "Have People Delayed Claiming Retirement Benefits? Responses to Changes in Social Security Rules," *Social Security Bulletin*, vol. 67 no. 2 (2007), pp. 1-23, at https://www.ssa.gov/policy/docs/ssb/v67n2/v67n2p1.pdf; and Barbara A. Butrica, Karen E. Smith, and C. Eugene Steuerle, *Working for a Good Retirement*, Urban Institute, 2006, at https://www.urban.org/research/publication/working-good-retirement. However, some researchers have argued that raising the FRA would penalize some Black and low-wage workers because they would be less likely to live long enough to recoup payments foregone as a result of delayed claiming. See Kyle Moore, Teresa Ghilarducci, and Anthony Webb, "The Inequitable Effects of Raising the Retirement Age on Blacks and Low-Wage Workers," *Review of Black Political Economy*, vol. 46, no. 1 (2019), pp. 22-37. Researchers have also found that the peak in Social Security retired-worker benefit claiming shifted from the old to the new FRA as the FRA increased from age 65 to 66, but the peak in retirement remained at age 65 (i.e., stickiness). The study also found suggestive evidence that employers could have a meaningful role in explaining individuals' response to the FRA increase through retirement norms, demand side factors, employer-based pensions, norms related to their retirement savings withdrawals, and others. See Manasi Deshpande, Itzik Fadlon, and Colin Gray, *How Sticky Is Retirement Behavior in the U.S.? Responses to Changes in the Full Retirement Age*, National Bureau of Economic Research (NBER) Working Paper no. 27190, 2020.

[38] The projections are from the 2022 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, intermediate assumptions, at https://www.ssa.gov/oact/TR/2022/tr2022.pdf. For more information, see CRS Report RL33028, *Social Security: The Trust Funds* and CRS In Focus IF10522, *Social Security's Funding Shortfall*.

[39] Some proposals to increase the FRA would also increase the maximum eligibility age for a DRC.

Table 4. Selected Options for Increasing the Retirement Age

Benefit Reduction and Delayed Retirement Credit Applied to Monthly Benefits at the Full Retirement Age (FRA), by Claiming Age

	Actuarial Reduction (Negative) and Delayed Retirement Credit to Monthly Benefits					
	Current Law[a] EEA=62, FRA=67	Increase FRA Only EEA=62, FRA=69		Increase EEA Only[b] EEA=64, FRA=67	Increase EEA and FRA EEA=64, FRA=69	
Benefit Claiming Ages	Max Age for DRC=70	Max Age for DRC=70[c]	Max Age for DRC=72[d]	Max Age for DRC=70	Max Age for DRC=70[e]	Max Age for DRC=72[f]
62	(30%)	(40%)	(40%)	—	—	—
63	(25%)	(35%)	(35%)	—	—	—
64	(20%)	(30%)	(30%)	(20%)	(30%)	(30%)
65	(13⅓%)	(25%)	(25%)	(13⅓%)	(25%)	(25%)
66	(6⅔%)	(20%)	(20%)	(6⅔%)	(20%)	(20%)
67	**0%**	(13⅓%)	(13⅓%)	**0%**	(13⅓%)	(13⅓%)
68	8%	(6⅔%)	(6⅔%)	8%	(6⅔%)	(6⅔%)
69	16%	**0%**	**0%**	16%	**0%**	**0%**
70	24%	8%	8%	24%	8%	8%
71	24%	8%	16%	24%	8%	16%
72	24%	8%	24%	24%	8%	24%

Source: CRS, and SSA, OCACT, *Provisions Affecting Retirement Age*, https://www.ssa.gov/OACT/solvency/provisions/retireage.html (hereinafter "SSA Retirement Age Options").

Notes: Dashes mean data is not available. Actuarial reduction to monthly benefits are in parentheses. FRA is the full retirement age and EEA is the earliest eligibility age.

a. Under current law, the FRA is 67 and EEA is 62 for beneficiaries born in 1960 and later.

b. See SSA Retirement Age Options C2.1.

c. See part of the provisions in SSA Retirement Age Option C1.4. Option C1.4 would continue to increase the FRA after it reached age 69.

d. See SSA Retirement Age Options C1.6 and C1.7. Options may differ in the effective dates and other provisions.

e. See SSA Retirement Age Options C2.5, C2.6, and C2.7. Options may differ in the effective dates and other provisions.

f. See the Social Security Solvency and Sustainability Act (S. 3234, 116th Congress).

Proposals to Increase the FRA but Not the EEA

Over the years, deficit reduction commissions and other policymakers have recommended increasing the Social Security FRA but keeping the EEA at age 62. As shown in **Table 4**, increasing the FRA only would result in a lower benefit payable at most claiming ages. Some people whose life expectancy are projected to increase in the future might work longer and delay benefit claiming in response to increases in the FRA. Those people with delayed benefit claiming are expected to spend as many years in retirement as earlier cohorts who would have claimed benefits at younger ages. However, others who do not expect an increase in life expectancy might claim benefits early and live on a lower monthly benefit (due to a larger actuarial reduction) for the rest of their lives. For example, beneficiaries who claim benefits at age 62 would receive a

40% actuarial reduction if the FRA increased to 69, compared to 30% under current law (see **Table 4**).

Increasing the FRA would generally improve Social Security's long-range financial status, as people would, on average, work longer, delay benefit claiming, and receive benefit payments for a shorter duration compared to current law. The degree to which those proposals would affect Social Security's financial status, however, depends on the rate at which the FRA would increase and whether the proposal would extend the maximum eligibility age for DRCs.

For example, one proposal, after the FRA reaches 67 for those attaining 62 in 2022, would have increased the FRA by two months per year until the FRA reaches 69 for those attaining 62 in 2034. Thereafter, the FRA would have increased one month every year. SSA's Office of the Chief Actuary (OCACT) projects that this option would improve the Social Security trust fund outlook by eliminating 36% of the system's projected long-range funding shortfall (based on the 2021 Annual Report of the Social Security Board of Trustees, intermediate assumptions).[40]

A similar proposal would have increased the FRA by three months per year starting for those attaining age 62 in 2023 until it reaches 69 for those attaining age 62 in 2030. This proposal would also have increased the age up to which DRCs might be earned from 70 to 72 on the same schedule. OCACT estimates that this option would improve the Social Security trust fund outlook by eliminating 28% of the system's projected long-range funding shortfall (based on the 2021 Annual Report of the Social Security Board of Trustees, intermediate assumptions).[41]

Another proposal recommended to increase the FRA on a much slower schedule, by one month every two years after the FRA reaches 67 for those attaining age 62 in 2022 until the FRA reaches 69, and also to increase the age up to which the DRC may be earned at the same rate (from 70 to 72). OCACT estimates that this option would improve the Social Security trust fund outlook by eliminating 17% of the system's projected long-range funding shortfall (based on the 2021 Annual Report of the Social Security Board of Trustees, intermediate assumptions).[42]

Proposals to Increase the EEA but Not the FRA

Similar to increasing the FRA, proposals to increase only the EEA are also motivated by the findings that average life spans have lengthened. These proposals may also be motivated by the findings that early benefit claiming may result in lower Social Security benefits and a higher poverty rate in older ages. Research found that the introduction of the EEA in 1961 was associated with a lower average claiming age and, consequently, a reduction in Social Security benefits and an increase in the poverty rate among elderly male-headed households.[43]

Under the proposal in **Table 4** to increase the EEA only, workers between the current EEA (i.e., age 62) and the new EEA (e.g., 64) would no longer be eligible for Social Security retirement benefits. This policy would cause many Social Security beneficiaries between the ages of 62 and the new EEA to claim benefits later than they otherwise would and increase their monthly benefits due to a smaller actuarial reduction (see **Table 4**). Increasing only the EEA, however,

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[40] SSA, Office of the Chief Actuary (OCACT), "Provisions Affecting Retirement Age," Option C1.4, at https://www.ssa.gov/OACT/solvency/provisions/retireage.html (hereinafter "SSA Retirement Age Options").

[41] SSA Retirement Age Options, Option C1.7.

[42] SSA Retirement Age Options, Option C1.6.

[43] Gary V. Engelhardt, Jonathan Gruber, and Anil Kumar, *Early Social Security Claiming and Old-Age Poverty: Evidence from the Introduction of the Social Security Early Eligibility Age*, NBER, Working Paper no. 24609, May 2018, at https://www.nber.org/papers/w24609.

may also create financial hardship for individuals between the ages of 62 and the new EEA who have difficulty working beyond age 62 (such as those with chronic medical conditions).[44]

Unlike proposals to increase only the FRA, which would generally improve the Social Security trust fund outlook, policy options to increase only the EEA would generate some program savings in the short run, but would be projected to increase the Social Security program outlays in the long run and make the long-range funding status worse relative to current law. In the short run, the Social Security program may achieve some savings from delayed retirements, but in the long run the subsequent higher monthly benefits would be estimated to more than offset the savings from delayed claiming.

In 2012, the Congressional Budget Office (CBO) estimated that raising the EEA from 62 to 64 by 2025 would generate $144 billion in savings through 2021, but long-run program outlays would be slightly larger than current law after 2035.[45] One proposal would increase the EEA by two months per year from age 62 to 65.[46] OCACT estimates that if the proposal applied to those aged 62 starting in 2023 until the EEA reached age 65 for those aged 62 in 2040, the long-range funding shortfall would increase by 3% (based on the 2021 Annual Report of the Social Security Board of Trustees, intermediate assumptions).[47]

Proposals to Increase Both the FRA and the EEA

Some proposals would increase the EEA and the FRA simultaneously, keeping a five-year difference between the EEA and the FRA as under current law. Under those proposals, Social Security benefits would generally be lower at each claiming age, the maximum actuarial reduction rate would be the same as under current law, and benefits would not be available for workers aged 62 to the new EEA (see **Table 4**). Increasing both the EEA and the FRA would avoid the situation in which benefits for early claiming could be reduced by as much as 40%, but it would also create challenges for workers between the ages of 62 and the new EEA who have health or employment circumstances that limit their ability to work at or past age 62.

OCACT estimated the cost for a variety of proposals that would increase both the FRA and the EEA. A larger and faster increase in the FRA would generally result in a larger decrease in the projected Social Security funding shortfall. For example, one proposal would increase both the FRA and the EEA by three months per year starting for those attaining age 62 in 2022 until the FRA reaches 69 for those attaining age 62 in 2030 and the EEA reaches 64 for those attaining age 62 in 2029. OCACT estimates that this option would improve the Social Security trust fund outlook by eliminating 23% of the system's projected long-range funding shortfall (based on the 2021 Annual Report of the Social Security Board of Trustees, intermediate assumptions).[48] Under another proposal, the FRA would increase by three months per year starting for those aged 62 in 2022 until it reaches age 70 for those attaining age 62 in 2034 and then increase one month every two years to maintain a constant ratio of expected retirement years to potential working years.[49]

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[44] For more information, see section "Health Status" in "Concerns Regarding an Increase in the Retirement Age."

[45] Congressional Budget Office, "Raising the Ages of Eligibility for Medicare and Social Security," January 2012, at https://www.cbo.gov/sites/default/files/112th-congress-2011-2012/reports/01-10-2012-Medicare_SS_EligibilityAgesBrief.pdf.

[46] SSA, OCACT, "Estimated Financial Effects of Several Social Security Reform Options," June 19, 2008, at https://www.ssa.gov/OACT/solvency/AARP_20080619.pdf.

[47] SSA Retirement Age Options, Option C2.1.

[48] SSA Retirement Age Options, Option C2.7.

[49] The number of expected retirement years is defined as the life expectancy at FRA, while the number of potential

This option would also increase the EEA from age 62 to 64 at the same time as the FRA increases from 67 to 69. OCACT estimates that this option would improve the Social Security trust fund outlook by eliminating 44% of the system's projected long-range funding shortfall (based on the 2021 Annual Report of the Social Security Board of Trustees, intermediate assumptions).[50]

Concerns Regarding an Increase in the Retirement Age

Supporters of increasing the retirement age contend that the average life expectancy is increasing, health conditions of older workers are improving, and job characteristics are more suitable for older workers. Opponents of increasing the retirement age often argue that gains in life expectancy, health status, and job characteristics have not been equally distributed across individuals with different characteristics such as sex, race, educational attainment, or income level. Therefore, increasing the retirement age may adversely affect Social Security benefits for some workers, particularly among low-wage workers or lower-educated workers. Another concern surrounding an increase in the retirement age is that it would likely encourage some workers with health problems to apply for Social Security disability benefits, which would likely increase enrollment and costs for that component of the Social Security program. Increasing the retirement age may also result in some older workers becoming more vulnerable to unemployment risks because they would be no longer eligible for Social Security retirement benefits.

Life Expectancy

Policymakers who support increasing the retirement age point to gains in average life expectancy as an indicator that people can work until older ages. For example, the FRA was 65 for those who turned age 62 in 1999 (and age 65 in 2002) and increases to 67 for those turning 62 in 2022 (and 67 in 2027). Between 2002 and 2030, the remaining life expectancy at age 65 are projected to increase by 2.9 years for men (from 15.9 years to 18.8 years) and 2.3 years for women (from 19.0 years to 21.3 years).[51] Social Security's trustees, using their intermediate assumptions, project that by 2065, remaining life expectancy will grow by another 2.1 years for men (to 20.9 years) and 1.9 years for women (to 23.2 years).[52] Thus, if the FRA increased from 67 to 69 for those turning 69 in 2065, people who retired at age 69 in 2065 would on average spend about as many years in retirement as those who will retire at age 67 in 2030 and those who retired at age 65 in 2002.[53]

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working years is defined as "FRA *minus* 20."

[50] SSA Retirement Age Options, Option C2.5.

[51] 2003 and 2022 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Tables for the Period Life Expectancy.

[52] 2022 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, Table V.A4, at https://www.ssa.gov/oact/TR/2022/tr2022.pdf.

[53] A study from the Urban Institute uses the Alternative Measures of Age tool to compare actual and potential Social Security retirement ages across generations. In 1940, the average eligible 65-year-old woman born in 1875 had a remaining life expectancy of about 13.4 years (11.9 years for men). In 2018, a woman would need to be age 74.6 (74.3 for men) before life expectancy fell to a similar level of 13.4 years (11.9 years for men). Thus, a person with average life expectancy retiring at age 65 in 2018, at least by this measure, would on average retire for close to 10 more years than someone retiring at the same chronological age in 1940. See Eugene Steuerle and Damir Cosic, "How Should Social Security Adjust When People Live Longer?," Urban Institute, August 2018, at https://www.urban.org/sites/

Those who oppose an increase in the retirement age, however, point out that the general increase in the average U.S. life expectancy has flattened or even slightly declined in recent years. For example, the remaining life expectancy at age 65 decreased from 19.4 years (18.0 for men and 20.6 for women) in 2014 to 19.3 years (18.0 for men and 20.5 for women) in 2015.[54] The average life expectancy at birth also decreased from 78.9 years in 2014 to 78.6 years in 2017.[55] It is still unclear to what extent the ongoing Coronavirus Disease 2019 (COVID-19) will affect the mortality rate in the future, but there is preliminary evidence of a negative impact.[56] A cross-sectional analysis found that the U.S. life expectancy at birth decreased by 1.87 years from 2019 to 2020.[57]

Additionally, gains in life expectancy have not been shared equally across different segments of the population. Opponents cite research showing that life expectancy is lower for individuals with lower socioeconomic status (i.e., less education and lower earnings) and that the gap in life expectancy by socioeconomic status has been growing over time.[58]

Differential gains in life expectancy are important in the context of Social Security. The actuarial adjustments to benefits for early or delayed retirement (i.e., for claiming benefits before or after the FRA) are based on *average* life expectancy. That is, the actuarial adjustments are designed to provide a person with roughly the same total lifetime benefits regardless of the age at which he or she claims benefits, assuming the person lives to average life expectancy. Research has shown that differential gains in life expectancy have resulted in a widening gap in the value of lifetime Social Security retirement benefits between low earners and high earners.[59]

default/files/publication/98907/how_should_ss_adjust_4.pdf.

[54] Elizabeth Arias and Jiaquan Xu, *United States Life Tables, 2015*, National Vital Statistics Reports, vol. 67 no. 7 (November 2018), at https://www.cdc.gov/nchs/data/nvsr/nvsr67/nvsr67_07-508.pdf; and Elizabeth Arias, Melonie Heron, and Jiaquan Xu, *United States Life Tables, 2014,* National Vital Statistics Reports, vol. 66 no. 4 (August 2017), at https://www.cdc.gov/nchs/data/nvsr/nvsr66/nvsr66_04.pdf. The remaining life expectancy at age 65 was 19.4 years in 2016 and 2017 and increased to 19.5 years in 2018 and 19.6 years in 2019. It decreased to 18.8 years in 2020. See Jiaquan Xu et al., *Mortality in the United States, 2018*, National Center for Health Statistics, January 2020, at https://www.cdc.gov/nchs/data/databriefs/db355-h.pdf; Kenneth D. Kochanek, Jiaquan Xu, and Elizabeth Arias, *Mortality in the United States, 2019*, National Center for Health Statistics, December 2020, at https://www.cdc.gov/nchs/data/databriefs/db395-H.pdf; and Elizabeth Arias et al., *Provisional Life Expectancy Estimates for 2020*, National Center for Health Statistics, July 2021, at https://www.cdc.gov/nchs/data/vsrr/vsrr015-508.pdf.

[55] Elizabeth Arias and Jiaquan Xu, *United States Life Tables, 2017*, National Vital Statistics Reports, vol. 68, no. 7 (June 2019), at https://www.cdc.gov/nchs/data/nvsr/nvsr68/nvsr68_07-508.pdf. The average life expectancy at birth increased from 78.6 years in 2017 to 78.7 years in 2018 and 78.8 years in 2019. It decreased to 77.3 years in 2020. See Kochanek, Xu, and Arias, *Mortality in the United States, 2019;* and Arias et al., *Provisional Life Expectancy Estimates for 2020*.

[56] For information of estimates for mortality rates due to the COVID-19 pandemic, see Joshua R. Goldstein and Ronald D. Lee, *Demographic Perspectives on Mortality of Covid-19 and Other Epidemics*, NBER, Working Paper no. 27043, 2020; and Andrew J. G. Cairns et al., *The Impact of Covid-19 on Future Higher-Age Mortality*, Pensions Institute, May 2020.

[57] Steven H. Woolf, Ryan K. Masters and Laudan Y. Aron, "Changes in Life Expectancy Between 2019 and 2020 in the US and 21 Peer Countries," *JAMA Network Open*, vol. 5 no. 4 (2022).

[58] CRS Report R44846, *The Growing Gap in Life Expectancy by Income: Recent Evidence and Implications for the Social Security Retirement Age*.

[59] CRS Report R44846, *The Growing Gap in Life Expectancy by Income: Recent Evidence and Implications for the Social Security Retirement Age*.

Health Status

Statistics have shown that healthier older people are generally more likely to work.[60] Older Americans can work longer today than in the past partly because they are generally healthier today than they were five decades ago. Research based on the data from the National Health Interview Survey found that, between 1972 and 2000, the share of individuals aged 55-61 reporting fair or poor health fell from 25.5% to 17.2%, and the share for those aged 62-65 fell from 28.6% to 20.0%.[61] However, the trend in health status is ambiguous among older workers in the most recent two decades.[62] It is also not clear how health status will change in coming decades.

Opponents of increasing the retirement age argue that the improvement in health status was unequally distributed among the population. Researchers have found that, among older people, health problems are concentrated among those of color and those with limited education.[63] One study, using data for non-Hispanic Whites, suggests that more educated people can achieve better health by accessing better health insurance, adopting better health behaviors such as not smoking and engaging in vigorous exercise, and taking advantage of the benefits of improving medical technology.[64] One study also shows that higher-income Blacks, Hispanics, and Native Americans have better health than members of their groups with less income.[65] Therefore, an increase in the retirement age might adversely affect some lower-income, lower-educated minority individuals whose health problems limit their ability to work into older ages.

Additionally, many older workers may develop work-limiting disabilities in older ages. One study found that, among a sample of workers aged 51-55 without work limitations in the Health and Retirement Study (HRS), 35% of them developed an impairment or health problem by age 65 that limited the type of work they could do. The study also found that non-Hispanic Blacks and lower-educated workers were more likely to develop work limitations during older ages.[66]

[60] CBO, *Employment of People Ages 55 to 79*, September 2019, Exhibit 9, at https://www.cbo.gov/system/files/2019-09/55454-CBO-employment-people-55-79.pdf.

[61] Richard W. Johnson, *Is It Time to Raise the Social Security Retirement Age?* Urban Institute, November 2018, at https://www.urban.org/sites/default/files/publication/99327/is_it_time_to_raise_social_security_retirement_age.pdf.

[62] One study using the National Health Interview Survey found that the share of individuals aged 55-65 who reported fair or poor health declined slightly from 2000 to 2017, and the presence of health problems that limited employment options did not show a clear declining trend from 1997 to 2017. See Johnson, *Is It Time to Raise the Social Security Retirement Age?* Another study using the Health and Retirement Survey found that the share of individuals aged 50-59 reporting excellent, very good, or good health declined from 1994 to 2014. See Alicia H. Munnell, "Socioeconomic Barriers to Working Longer," *Journal of the American Society on Aging* (Fall 2019), pp. 42-50. Additionally, one study using the Current Population Survey found that the share of women aged 55-79 reporting very good and excellent health increased from 37% in 1996 to 44% in 2018, and the share of men aged 55-79 reporting very good and excellent health increased from 42% to 45% during the same period. See CBO, *Employment of People Ages 55 to 79*, September 2019, at https://www.cbo.gov/system/files/2019-09/55454-CBO-employment-people-55-79.pdf.

[63] Centers for Disease Control and Prevention, "CDC Health Disparities and Inequalities Report—United States, 2013," November 22, 2013, at https://www.cdc.gov/mmwr/preview/ind2013_su.html#HealthDisparities2013; and Johnson, *Is It Time to Raise the Social Security Retirement Age?*

[64] Dana Goldman, and James P. Smith, "The Increasing Value of Education to Health," *Social Science and Medicine,* vol. 72 no. 10 (2001), pp. 1728-1737.

[65] Steven H. Woolf et al., *How Are Income and Wealth Linked to Health and Longevity?* Urban Institute, Virginia Commonwealth University, April 2015, at https://www.urban.org/sites/default/files/publication/49116/2000178-How-are-Income-and-Wealth-Linked-to-Health-and-Longevity.pdf.

[66] Johnson, *Is It Time to Raise the Social Security Retirement Age?*

An increase in the retirement age would likely encourage workers with health problems to apply for public disability benefits, such as Social Security Disability Insurance (SSDI).[67] SSDI is part of Social Security and provides benefits to nonelderly insured workers who meet the statutory definition of *disability* and to their eligible dependents.[68] Generally, disabled workers can gain financially by collecting SSDI benefits even after they qualify for early retirement benefits, because SSDI benefits are not subject to the actuarial reduction.[69] The incentive to apply for SSDI benefits rises as the gap between the EEA and the FRA increases and as the EEA increases. Some researchers have suggested that the increase in the FRA from 65 to 66 in the first half of the 2000s slightly increased SSDI applications.[70] Researchers also built their analysis on the assumption that early claimers for Social Security would move to SSDI if the EEA increases.[71]

However, not all workers with health problems or work-related limitations can receive disability benefits. One study showed that more than half of workers aged 50-64 in the bottom 20% of the function ability distribution did not receive any disability-related benefit.[72] Another study estimated that about 11% of individuals aged 62-64 were not working, had health problems, were not collecting SSDI, and were collecting Social Security retirement benefits in 2014.[73] If the retirement age increased, then work-limited individuals who do not qualify for disability benefits might have to wait longer to apply for Social Security retirement benefits (under an increase in the EEA) or receive a larger actuarial reduction due to early retirement (under an increase in the FRA only).

Job Characteristics

Over the past four decades, the workplace has generally become less physically demanding, which has been considered to be a trend more suitable for older workers to remain employed. One study found that the shares of workers in jobs requiring workers to engage in moderate or

[67] Disability benefits are designed to provide income supports for working-age adults who are unable to perform a minimum level of work because of physical, emotional, or cognitive impairments. SSDI is the primary payer of disability benefits. Other important public disability programs include workers' compensation, Supplemental Security Income, and Department of Veterans Affairs disability compensation and death pension. For more information, see CRS In Focus IF10506, *Social Security Disability Insurance (SSDI)*; CRS In Focus IF10308, *Workers' Compensation: Overview and Issues*; CRS In Focus IF10482, *Supplemental Security Income (SSI)*; and CRS Report R44837, *Benefits for Service-Disabled Veterans*.

[68] See CRS In Focus IF10506, *Social Security Disability Insurance (SSDI)*.

[69] Under current law, SSDI beneficiaries are transferred automatically to Social Security retirement benefits at the FRA. The Social Security Amendments of 1983 (P.L. 98-21) raised the FRA for Social Security retirement benefits, thereby increasing both the number of insured workers in their older and more disability-prone years and the duration of benefit receipt for older SSDI beneficiaries close to the FRA. For more information, see CRS Report R43318, *The Social Security Disability Insurance (DI) Trust Fund: Background and Current Status*.

[70] John Bound, Todd Stinebrickner, and Timothy Waidmann, "Health, Economic Resources, and the Work Decisions of Older Men," *Journal of Econometrics*, vol. 156, no. 1 (2010), pp. 106-129; Mark Duggan, Perry Singleton, and Jae Song, "Aching to Retire? The Rise in the Full Retirement and Its Impact on the Social Security Disability Rolls," *Journal of Public Economics*, vol. 91, no. 7-8 (2007), pp. 1327-1350; and Xiaoyan Li and Nicole Maestas. *Does the Rise in the Full Retirement Age Encourage Disability Benefits Applications? Evidence from the Health and Retirement Study*, 2008, Michigan Retirement Research Center, Working paper 2008-198.

[71] Constantijn Panis et al., *The Effects of Changing Social Security Administration's Early Entitlement Age and the Normal Retirement Age*, RAND Corporation, 2002, at https://www.ssa.gov/policy/docs/contractreports/agereport.pdf.

[72] Richard W. Johnson, Melissa M. Favreault, and Corina Mommaerts, *Work Ability and the Social Insurance Safety Net in the Years Prior to Retirement*, Urban Institute, at https://www.urban.org/research/publication/work-ability-and-social-insurance-safety-net-years-prior-retirement.

[73] Johnson, *Is It Time to Raise the Social Security Retirement Age?*, Figure 22.

strenuous physical activities decreased from 57% in 1971 to 46% in 2006.[74] However, relatively small changes were found based on data in the recent two decades. For example, one study, using the data from the HRS, found that about 34% of workers aged 55-65 reported that their jobs required substantial physical effort in 1998, and the share remained the same in 2014.[75]

Despite the fact that the physical demands faced by older workers generally declined in the past few decades, older workers with limited education are more likely to work in physically demanding jobs than those with relatively more years of education. One study found that, in 2014, 49% of workers aged 55-65 who did not attend college reported physically demanding jobs in the HRS, compared to 26% of those who attended college. In the same year, 23% of workers aged 55-65 who did not attend college were employed in jobs requiring heavy lifting, compared to 10% of those who attended college.[76] The 2015 American Working Conditions Survey also found similar statistics: A larger percentage of individuals aged 50 and older without a college degree than those with a college degree worked in jobs involving moving heavy loads or people, tiring or painful positions, or standing.[77]

Older workers who find it difficult to continue with physically demanding jobs may apply for Social Security retirement as early as age 62 (the EEA under current law). Studies have found that early beneficiaries aged 62-64 who had health problems are more likely to work in blue-collar jobs than white-collar jobs in their most recent employment prior to retirement,[78] and a majority of early male retirees are in poorer health and have higher mortality risk than those who retire at age 65 and older.[79] Therefore, those early retirees who have work-related health impairment and relatively shorter life expectancy would be disadvantaged under an increase in the EEA, the FRA, or both, assuming they do not qualify for Social Security disability benefits.

Labor Market Conditions

Statistics show that older workers are generally less likely than younger workers to become unemployed, but job layoffs are common for the older workforce and are more likely among workers with fewer years of education. According to the HRS, 30% of workers aged 51-55 became unemployed by age 65, including 36% of those with no high school diploma and 26% of those with four or more years of college education.[80] Additionally, studies found that older workers generally experience longer spells of unemployment than younger workers.[81] Research

[74] Richard W. Johnson, Gordon B. T. Mermin, and Matthew Resseger, "Job Demands and Work Ability at Older Ages," *Journal of Aging and Social Policy*, vol. 23, no. 2 (2011), pp. 101-118.

[75] Johnson, *Is It Time to Raise the Social Security Retirement Age?* The author also found that the share of older workers reporting having to lift heavy loads or stoop, kneel, or crouch on the job did not change much between 1998 and 2014.

[76] Johnson, *Is It Time to Raise the Social Security Retirement Age?*, Table 1.

[77] Nicole Maestas et al., *2015 American Working Conditions Survey: Focus on Older Versus Younger Workers*, Michigan Retirement Research Center, 2016, at https://mrdrc.isr.umich.edu/publications/papers/pdf/wp362.pdf.

[78] Michael V. Leonesio, Denton R. Vaughan, and Bernard Wixon, "Early Retirees Under Social Security: Health Status and Economic Resources," *Social Security Bulletin*, vol. 63, no. 4 (2000). In this study, *blue-collar jobs* is defined as service, production, craft, and repair occupations, or working as operators, fabricators, or laborers, while *white-collar jobs* is defined as managerial, professional, technical, sales, or administrative occupations.

[79] Hilary Waldron, *Heterogeneity in Health and Mortality Risk Among Early Retiree Men*, SSA, Office of Research, Evaluation, and Statistics (ORES) Working Paper No. 105, May 2004; and Hilary Waldron, *Links Between Early Retirement and Mortality*, ORES, Working Paper No. 93, 2001.

[80] Johnson, *Is It Time to Raise the Social Security Retirement Age?*, Figure 12.

[81] U.S. Department of Labor, Bureau of Labor Statistics, "Record Unemployment Among Older Workers Does Not Keep Them Out of the Job Market," *Issues in Labor Statistics*, March 2010, at https://www.bls.gov/opub/btn/archive/

based on field experiments also found that older workers are less likely to be called back for interviews than younger workers with similar qualifications.[82]

Unemployed workers may qualify for unemployment insurance benefits,[83] but displaced workers aged 62 and older may also collect Social Security benefits to help them meet current expenses, especially during economic recessions. One study showed that, between 2008 and 2011, 83% of unemployed workers aged 62 and older collected Social Security benefits six months after layoff.[84] Another study found that, in 2007, the year before the Great Recession of 2007-2009, 33.5% of fully insured men and 36.3% of fully insured women chose to claim Social Security retirement benefits at age 62.[85] These figures increased in 2009 (when those born in 1947 turned 62) when the recession hit a low point, as 35.8% of fully insured men and 38.9% of fully insured women started receiving benefits at age 62.[86] Increasing the retirement age would make those unemployed workers aged 62 and older either no longer eligible for Social Security retirement benefits (under an increase in the EEA) or subject to a larger permanent actuarial reduction in monthly benefits for the rest of their lives if they claimed benefits at or close to EEA (under an increase in the FRA only).

Addressing Concerns About Increasing the Retirement Age

Concerns regarding the effects of increasing the retirement age, especially on certain segments of the population, are not new. The Social Security Amendments of 1983, which increased the retirement age gradually from 65 to 67, mandated a study to examine the effects of increasing the retirement age on workers in physically demanding jobs or ill health.[87] To address the concerns

record-unemployment-among-older-workers-does-not-keep-them-out-of-the-job-market.pdf; and Richard W. Johnson, "Older Workers and COVID-19: The Harsh Economic Realities," May 28, 2020, Urban Institute, at https://www.economicpolicyresearch.org/images/Retirement_Project/Presentations/May28_OlderWorkersWebinar/Johnson_presentation_May_28_2020.pdf.

[82] David Neumark et al., *Do State Laws Protecting Older Workers from Discrimination Laws Reduce Age Discrimination in Hiring? Experimental (and Nonexperimental) Evidence*, Michigan Retirement Research Center, 2016, at https://deepblue.lib.umich.edu/bitstream/handle/2027.42/135722/wp349.pdf; and David Neumark, Ian Burn, and Patrick Button, "Is It Harder for Older Workers to Find Jobs? New and Improved Evidence from a Field Experiment," *Journal of Political Economics*, vol. 127, no. 2 (April 2019), at https://www.journals.uchicago.edu/doi/abs/10.1086/701029.

[83] See CRS Report RL33362, *Unemployment Insurance: Programs and Benefits*.

[84] Richard W. Johnson and Alice Feng, *Financial Consequences of Long-Term Unemployment During the Great Recession and Recovery*, Urban Institute, 2013, at https://www.urban.org/research/publication/financial-consequences-long-term-unemployment-during-great-recession-and-recovery.

[85] A worker is *fully insured* for benefits if he or she has earned at least one credit for each year elapsing after the year in which he or she attains age 21 and before the year in which he or she attains age 62, dies, or becomes disabled, whichever occurs first. A worker is *permanently and fully insured* if he or she has at least 40 credits (at least 10 years of work) and will not lose fully insured status when he or she stops working under covered employment.

[86] Jason J. Fichtner, John W. R. Phillips, and Barbara A. Smith, *Retirement Behavior and the Global Financial Crisis*, Pension Research Council, September 2011, at https://pensionresearchcouncil.wharton.upenn.edu/wp-content/uploads/2015/09/PRC-WP2011-10-Fichtner-Phillips.pdf. Similar results also found in Richard W. Johnson and Corina Mommaerts, "Social Security Retirement Benefit Awards Hit All-Time High in 2009," Urban Institute, January 2010, at https://www.urban.org/sites/default/files/publication/28286/412010-Social-Security-Retirement-Benefit-Awards-Hit-All-Time-High-in—.PDF.

[87] The report prepared by SSA is reprinted in the *Social Security Bulletin*. See "Increasing the Social Security Retirement Age: Older Workers in Physically Demanding Occupations or Ill Health," *Social Security Bulletin*, vol. 49,

that increasing the retirement age may result in financial hardship for some older Americans, policymakers and researchers have suggested some possible approaches that could accompany an increase in the retirement age and might offer certain income protections to vulnerable older adults. Some of those approaches would make changes to the Social Security retirement program, and some would modify other programs.

Possible Approaches Under the Social Security Retirement System

To address concerns regarding the effects of increasing the retirement age on some older Americans, some policymakers and researchers propose exempting certain groups of individuals from an increase in the retirement age. For example, recognizing that some workers may be physically unable to work beyond the current EEA (62) and may not qualify for Social Security disability benefits, in 2010, the National Commission on Fiscal Responsibility and Reform (also called the *Simpson-Bowles Commission* after co-chairs Alan Simpson and Erskine Bowles) recommended a *hardship exemption* for up to 20% of retirees in conjunction with proposed increases in the EEA and FRA. Under the proposal, as the EEA and FRA increase, certain beneficiaries with 25 years of employment and low lifetime earnings could continue to claim benefits at age 62, and their benefits would not be subject to additional actuarial reductions.[88] The commission specified that SSA would design the policy taking into consideration factors such as the physical demands of labor and lifetime earnings in developing eligibility criteria.[89]

Special Rules Based on Years of Work and Average Lifetime Earnings

As discussed above, the Simpson-Bowles Commission recommended workers with low lifetime earnings and significant employment be exempt from an increase in the retirement age. Researchers who supported similar proposals argued that workers at high risk of hardship and with low life expectancy tend to have low lifetime earnings.[90]

Setting the retirement age based on average lifetime earnings and employment attachment, however, may result in some significant assistance flow to people who are not at risk of hardship. One study suggested that this policy may offer a better retirement option to certain beneficiaries (such as women) who tend to have lower lifetime earnings but longer life expectancy, as well as some secondary earners in the household who have lower lifetime earnings but can receive a higher household standard of living based on the benefits from primary earners in the

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no. 10 (October 1986), at https://www.ssa.gov/policy/docs/ssb/v49n10/v49n10p5.pdf.

[88] National Commission on Fiscal Responsibility and Reform, *The Moment of Truth: Report of the National Commission on Fiscal Responsibility and Reform*, December 2010, https://www.ssa.gov/history/reports/ObamaFiscal/TheMomentofTruth12_1_2010.pdf. For cost estimation, see SSA Retirement Age Options, Option C2.3. The estimate includes a "hardship exemption" with no EEA/FRA change for workers with 25 years of earnings (with four quarters of coverage each year) and average indexed monthly earnings less than 250% of the poverty level (wage-indexed from 2013). The hardship exemption would be phased out for those above 400% of the poverty level.

[89] National Commission on Fiscal Responsibility and Reform, *The Moment of Truth*, p. 51. The commission also recommended policies that would provide people with more flexibility in claiming benefits. Specifically, the commission recommended allowing people to claim up to half of their benefits at age 62 (with an actuarial reduction) and the other half at a later age (with a smaller actuarial reduction). This option was intended to provide a smoother transition for those interested in phased retirement or for households where one member has retired and another continues to work. In general, it could provide a stream of income for those with financial difficulties by allowing them to claim a portion of their benefits early and avoid taking a permanent reduction on the full benefit amount.

[90] Natalia Zhivan et al., *An "Elastic" Earliest Eligibility Age for Social Security*, Center for Retirement Research, February 2008, at https://crr.bc.edu/wp-content/uploads/2008/02/IB_8-2_508x.pdf.

household.[91] Researchers also indicated that workers with significant earnings not covered by Social Security may be exempt from this option,[92] so those workers would not be treated the same as beneficiaries who have low lifetime earnings and whose employment is all covered by Social Security.[93]

Special Rules Based on Physically Demanding Jobs

Special pension provisions that allow early retirement for workers in certain physically demanding jobs are a feature of public pension systems in many countries. One study found that 18 nations in the Organization for Economic Co-operation and Development (OECD) allowed workers engaged in "hazardous or arduous" employment to collect public retirement benefits at relatively young ages.[94] The definition of *hazardous or arduous* is generally different for each country and could include miners, Armed Forces, firefighters, police officers, airline pilots, and train drivers. The hardships in a hazardous or arduous work environment can be physical, mental, or some combination. Some hardships can result in deterioration in workers' health, a loss of productivity, or lower life expectancy, and some others can make it difficult for workers to continue to carry out the same job or remain in the same occupation when they age. Pensions with different retirement ages in certain occupations usually provide benefits based on length of service, such as 30 years of service in an occupation.[95]

Establishing different Social Security program rules—in this case, a different eligibility age for retirement benefits—for workers in certain occupations, however, may raise several issues. For example, it may be difficult to determine, in a fair and equitable way, which specific occupations should be designated as allowing workers to claim retirement benefits at younger ages relative to the rest of the Social Security–covered workforce, especially if retirement benefits for those workers are not subject to reduction (or further reduction) based on claiming age. One study found that the types of demanding jobs with early retirement treatment vary greatly across countries, ranging from those that are inherently dangerous (such as underground mining) to those that generally are not performed by workers at older ages (airline pilots, for example, are

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[91] Hilary Waldron, "Mortality Differentials by Lifetime Earnings Decile: Implications for Evaluations of Proposed Social Security Law Changes," *Social Security Bulletin*, vol. 73, no. 1 (2013), at https://www.ssa.gov/policy/docs/ssb/v73n1/v73n1p1.pdf.

[92] Under current law, the *windfall elimination provision* is a modified benefit formula that reduces the Social Security benefits of certain retired or disabled workers who are also entitled to pension benefits based on earnings from jobs that were not covered by Social Security and thus not subject to the Social Security payroll tax. See CRS Report 98-35, *Social Security: The Windfall Elimination Provision (WEP)*.

[93] Jack Smalligan, Aaron R. Williams, and Chantel Boyens, *Social Security's Earliest Eligibility Age*, Urban Institute, July 2019, at https://www.urban.org/sites/default/files/publication/100732/social_securitys_earliest_eligibility_age_1.pdf.

[94] Ashgar Zaidi and Edward R. Whitehouse, *Should Pension Systems Recognize 'Hazardous and Arduous Work'?* OECD, 2009, at https://www.oecd-ilibrary.org/social-issues-migration-health/should-pension-systems-recognise-hazardous-and-arduous-work_221835736557. The United States is one of those 18 nations that allow workers in certain occupations to retire at relatively early ages. Those special pension provisions are not included in Social Security but are available in the railroad retirement program and some state or local public pensions. For example, railroad workers may retire as early as age 60 if they meet the eligibility criteria. (See CRS Report RS22350, *Railroad Retirement Board: Retirement, Survivor, Disability, Unemployment, and Sickness Benefits*.) Some state and local public pensions for firefighters and police offices offer a relatively young retirement age.

[95] For example, railroad workers in United States with at least 30 years of covered railroad work may receive unreduced retirement annuities at age 60. (See CRS Report RS22350, *Railroad Retirement Board: Retirement, Survivor, Disability, Unemployment, and Sickness Benefits*.) Typical examples in many countries also include firefighters, members of the police and other law enforcing authorities, and members of the Armed Forces. (See Zaidi and Whitehouse, *Should Pension Systems Recognize 'Hazardous and Arduous Work'?*)

subject to a mandatory retirement age) and those that are culturally protected (such as bullfighters and musicians).[96] Additionally, studies indicated that early retirement from demanding occupations might cause high disincentives to continue working[97] and increase the cost of the pension system.[98] Moreover, researchers have also suggested that allowing early retirement in demanding occupations might discourage investment in technological improvements that aim to reduce the demanding nature of those jobs.[99]

Possible Approaches Outside the Social Security Retirement System

Recognizing that certain groups of older workers might be financially vulnerable under an increase in the retirement age, some researchers have suggested making improvements to programs outside the Social Security retirement system to provide income support to some older workers. Those approaches usually target a specific group of older workers.

Supplemental Security Income (SSI)

Some researchers suggest changes to the SSI program to expand eligibility for SSI benefits for the aged. SSI is a needs-based public assistance program that provides monthly cash benefits to the aged, blind, or disabled.[100] SSI benefits for the aged are available to individuals aged 65 and older. Some researchers have proposed lowering the SSI eligibility age for aged beneficiaries from age 65 to 62 if the Social Security EEA were raised.[101] Expanding SSI eligibility for the aged would allow some workers who cannot work past age 62 and who have difficulty meeting their basic living expenses to qualify for a monthly cash benefit from the SSI program. To qualify for SSI, a person's countable income and resources—gross income and resources minus all applicable exclusions—must be within certain limits.[102] Therefore, this approach would target those individuals at early retirement ages with little or no income and very limited assets.

Social Security Disability Insurance (SSDI)

Some suggest modifying the SSDI program to expand eligibility for certain older workers with severe health conditions that limit their ability to work. One possible option is to eliminate the employment requirement prior to the onset of disability for those aged 62 and older under an increase of the retirement age.[103] Under current law, to be eligible for SSDI, workers must have worked in jobs covered by Social Security for about a quarter of their adult lives and for at least

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[96] Zaidi and Whitehouse, *Should Pension Systems Recognize 'Hazardous and Arduous Work'?*

[97] OECD, *OECD Economic Surveys: Greece 2007*, at https://doi.org/10.1787/eco_surveys-grc-2007-5-en.

[98] Michele Boldrin, Sergi Jiménez-Martín, and Franco Peracchi, *Micro-Modeling of Retirement Behavior in Spain*, NBER, 2004, at https://www.nber.org/chapters/c10707.pdf.

[99] N. Vermeer, M. Mastrogiacomo, and Arthur van Soest, *Demanding Occupations and the Retirement Age*, Institute for the Study of Labor, 2015, at http://ftp.iza.org/dp9462.pdf.

[100] See CRS In Focus IF10482, *Supplemental Security Income (SSI)*.

[101] David C. Stapleton, *Employment Support for the Transition to Retirement: Can a New Program Help Older Workers Continue to Work and Protect Those Who Cannot?* AARP, 2009, at https://assets.aarp.org/rgcenter/econ/2009_05_transition.pdf.

[102] The limit for countable income is equal to the *federal benefit rate*, which is the maximum monthly SSI payment available under the program. In 2022, the rate is $841 per month for an individual and $1,261 per month for a couple if both members are SSI eligible. The limit for countable resources is $2,000 for an individual and $3,000 for a couple.

[103] Smalligan, Williams, and Boyens, *Social Security's Earliest Eligibility Age*.

five of the 10 years prior to the onset of disability.[104] One study shows that about half of Social Security retirement beneficiaries who were aged 62-64 and had severe work limitations did not meet the prior employment requirement, also known as a "recency-of-work test."[105] Under this policy option, older workers with work-related health impairments who have worked for decades and left the labor force for a few years before the onset of disability might qualify for SSDI benefits.

Another potential option is to simplify the disability determination process for those aged 62 and older if the retirement age increases. Under current law, an SSDI applicant would not receive benefits if he or she could perform work that exists in the national economy, taking into consideration his or her age, education, and work experience.[106] Some researchers propose eliminating this step in the disability determination for those aged 62 and older under an increase of the retirement age.[107] Evidence shows that more than 80% of SSDI applicants aged 50 and older who were denied disability benefits based on the ability to perform work had no earnings in the five years after the determination.[108] Under this policy change, older workers aged 62 and older who have qualified work-related health impairment and could not perform past related work might receive SSDI benefits.

These changes in eligibility rules would likely increase the number of SSDI awards and program outlays, thus affecting the program solvency.[109]

Unemployment Insurance (UI)

Others suggest extending UI for older workers. As noted earlier, older workers tend to have longer unemployment spells than younger workers, and many displaced older workers choose to claim Social Security retirement benefits at the EEA to compensate for the loss of earnings. To reduce the potential negative impact of increasing the Social Security retirement age on those older workers, researchers have suggested extending UI benefits from the current 26 weeks to 52

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[104] Younger workers may qualify with less work experience based on their age. See CRS In Focus IF10506, *Social Security Disability Insurance (SSDI)*.

[105] Michael V. Leonesio, Denton R. Vaughan, and Bernard Wixon, *Increasing the Early Retirement Age Under Social Security: Health, Work and Financial Resources*, National Academy of Social Insurance, December 2003, at https://www.nasi.org/sites/default/files/research/nasiBrief_risk7_03.pdf.

[106] To meet the statutory definition of *disability*, workers must be unable to engage in any substantial gainful activity (SGA) due to any medically determinable physical or mental impairment that is expected to last for at least one year or to result in death. SSA uses an earnings threshold to determine whether an individual's work activity constitutes SGA, which the agency adjusts annually for average wage growth. In 2022, the SGA earnings limit for most workers is $1,350 per month. In general, workers must have severe impairments (or combinations of impairments) that prevent them from doing any kind of substantial work that exists in significant numbers in the national economy, taking into consideration their age, education, and work experience.

[107] Smalligan, Williams, and Boyens, *Social Security's Earliest Eligibility Age*.

[108] Jody Schimmel Hyde, April Yanyuan Wu, and Lakhpreet Gill, *The Benefit Receipt Patterns and Labor Market Experiences of Older Workers Who Were Denied SSDI on the Basis of Work Capacity*, Mathematica Policy Research, March 2008, at https://www.mathematica.org/our-publications-and-findings/publications/the-benefit-receipt-patterns-and-labor-market-experiences-of-older-workers-who-were-denied-ssdi.

[109] See CRS Report R43318, *The Social Security Disability Insurance (DI) Trust Fund: Background and Current Status*.

weeks for displaced older workers.[110] Researchers have also pointed out that extending UI benefits may discourage job search efforts among older workers.[111]

Employment Services and Training Programs

Researchers also argue that expanding access to employment services and training opportunities could help promote work for older adults and cushion the impact of raising the Social Security EEA. The current federal support for employment and job training targeted to older adults is limited. For example, the Senior Community Service Employment Program authorizes the U.S. Department of Labor to make grants to support part-time community service employment opportunities for eligible individuals who are aged 55 or older, low-income, and unemployed. In FY2019, appropriations for these programs were $400 million and supported approximately 41,000 positions.[112] In addition, the Workforce Innovation and Opportunity Act (WIOA; P.L. 113-28) is the primary federal law that supports workforce development. Workforce development programs provide a combination of education and training services to prepare adult individuals at all ages for work and to help them improve their prospects in the labor market.[113] From April 2018 to March 2019, about 141,500 individuals aged 55 or older (or about 17% of participants at all ages) were served by WIOA adult and dislocated worker programs, and 5,604 adults aged 55 or older received training (or 6.5% of those received training at all ages) under the WIOA adult program.[114] However, evidence is limited in determining if these programs can adequately address the challenges created by increasing the Social Security retirement age. Research also suggests that more federal support might be needed to improve employment opportunities for low-skilled older workers.[115]

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110 Johnson, *Is It Time to Raise the Social Security Retirement Age?* There are potential program interactions among the major income sources for current retirees and Unemployment Compensation (UC) benefit payments. Federal law requires that states reduce an individual's weekly UC benefit "by the amount, allocated weekly, of any governmental or other pension, retirement or retired pay, annuity, or any other similar periodic payment which is based on the previous work of such individual" (26 U.S.C. §3304[a][15]). States may reduce the UC benefits of workers receiving Social Security or SSDI payments. See "Effect of Social Security Payments" in DOL's 2019 Comparison of State Unemployment Insurance Laws, available at https://oui.doleta.gov/unemploy/pdf/uilawcompar/2019/nonmonetary.pdf. Currently, only Minnesota offsets UC benefits by 50% of Social Security payments. In some states, individuals who receive SSDI are deemed ineligible for UC or have those payments treated as deductible income.

111 Richard W. Johnson and Corina Mommaerts, *Age Differences in Job Loss, Job Search, and Reemployment*, Urban Institute, January 2011, at https://www.urban.org/sites/default/files/publication/27086/412284-Age-Differences-in-Job-Loss-Job-Search-and-Reemployment.PDF.

112 See CRS Report R45626, *Older Americans Act: Senior Community Service Employment Program*.

113 See CRS Report R44252, *The Workforce Innovation and Opportunity Act and the One-Stop Delivery System*.

114 U.S. Department of Labor, Employment and Training Administration, *PY 2018 Data Book*, February 2020, Table I-4 and Table II-10, at https://www.doleta.gov//performance/results/WIASRD/PY2018/PY_2018_WIOA_and_Wagner-Peyser_Data_Book.pdf.

115 Angela Hanks and David Madland, "Better Training and Better Jobs: A New Partnership for Sector Training," Center for American Progress, 2018, at https://www.americanprogress.org/issues/economy/reports/2018/02/22/447115/better-training-better-jobs/.

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