



H.R. 5284, the *Claiming Age Clarity Act*

Reps. Smucker (R-PA), Beyer (D-VA)

Background:

- Social Security is a work-based federal insurance program that provides monthly cash benefits to retired workers and their eligible family members.
- Among other factors, a retired worker's monthly Social Security benefit may be adjusted based on the age at which they claim benefits.
 - **Full retirement age** (FRA) is the term the Social Security Administration (SSA) uses for the age at which workers can first claim *unreduced* retirement benefits. A worker's FRA depends on their birth year and was gradually increased over a 22-year period from age 65 for those born before 1938 to age 67 for those born in 1960 or after.
 - Workers can claim retirement benefits as early as age 62, commonly referred to as the **early eligibility age**. Benefits claimed *prior* to FRA are subject to a permanent reduction to account for the additional months of benefit receipt.
 - Workers who claim retirement benefits *after* FRA receive **delayed retirement credits** that result in a permanent increase in monthly benefits. These credits can be accrued up to age 70.
- For most Americans, it can be financially advantageous to wait until after age 62 to claim Social Security benefits. However, age 62 remains the most common claiming age, representing roughly 23% of new benefit claims in 2023.
- Studies show that **people are confused by the current SSA terms and are generally uninformed** about how their claiming decisions affect their monthly benefits.
- As a result, **many of today's seniors are missing out on substantial retirement income because of suboptimal claiming decisions.**

The *Claiming Age Clarity Act*:

- Directs the Social Security Commissioner to change the terminology SSA uses when describing benefit claiming ages to **better reflect the implications of claiming decisions**:
 - FRA would be referred to as the "**standard monthly benefit age**."
 - "Early eligibility age" would be referred to as the "**minimum monthly benefit age**."
 - Any reference to age 70 as the maximum age up to which delayed retirement credits can be accrued would be referred to as the "**maximum monthly benefit age**."