



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 he or she claims 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 year of birth 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, which is 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.
- While the age at which a person claims is entirely dependent on an individual's circumstances, studies have demonstrated that **people are confused by the current terms used by the SSA 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*:

- The *Claiming Age Clarity Act* directs the Commissioner of Social Security to change the terminology the SSA uses when describing benefit claiming ages to **better reflect the implications of claiming decisions**:
 - The FRA would be referred to as the "**standard monthly benefit age**."
 - The "early eligibility age" would be more clearly 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**."