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The Social Security Retirement Age: In Brief

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January 23, 2014

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Congressional Research Service

R41962

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Introduction—Retired Worker Benefits

Two important ages may affect a worker’s plans to claim Social Security retired-worker benefits. Workers may claim full Social Security benefits at the full retirement age (FRA), which is rising gradually to the age of 67 for workers who were born in 1960 or later. Retired workers may claim benefits as early as the age of 62, which is known as the early eligibility age (EEA). Social Security benefits are reduced, however, for every month that retired worker benefits are claimed before the FRA.

Full Retirement Age

The FRA is the earliest age at which workers can claim full, unreduced Social Security retired-worker benefits.¹ The FRA is also referred to as the “normal retirement age” in some publications.

For most of Social Security’s history, the FRA has been 65. Why was the age of 65 chosen for the FRA? According to Robert Myers, who worked on the creation of the Social Security program beginning in 1934 and later served in various senior and appointed capacities at the Social Security Administration, “why not?” Myers wrote, “Age 65 was picked because 60 was too young and 70 was too old. So we split the difference.”²

The 1983 Social Security Amendments³ included a provision to raise the full retirement age gradually to 67, beginning with people born in 1938 or later. **Table 1** shows FRAs for different birth years under current law. The table also shows the FRA is 66 for persons born in 1943-1954 and rises in two-month intervals to 67 for those born in 1960 or later.

Table 1. Age to Receive Full Social Security Benefits

Year of Birth	Full Retirement Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months

¹ For a description of the Social Security benefit calculation, see CRS Report R41479, *Social Security: Revisiting Benefits for Spouses and Survivors*, by Dawn Nuschler.

² Robert J. Myers and Richard L. Vernaci, *Within the System: My Half Century in Social Security* (Winsted, CT: ACTEX Publications, 1992), pp. 93-94. Although the age of 65 has been linked to German Chancellor Otto von Bismark, who set up Germany’s social security system in the 1880s, in fact, the German system’s initial retirement age was 70. In the United States before the passage of the Social Security Act in 1935, 28 states and two territories paid pensions (often very low) with retirement ages generally set at 65 or 70.

³ P.L. 98-21, the Social Security Amendments of 1983, signed April 20, 1983.

Year of Birth	Full Retirement Age
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Source: Social Security Administration, <http://www.socialsecurity.gov/pubs/retirechart.htm>.

Note: The full retirement age birth-year schedule is different for survivors of covered workers. For more information, see <http://www.socialsecurity.gov/survivorplan/survivorchartred.htm#chart>.

Early Eligibility Age

Retired workers are eligible to claim Social Security benefits as early as the age of 62, which is known as the early eligibility age (EEA).⁴ The EEA is sometimes referred to as the early retirement age (ERA).

Currently, the ERA is 62 for retired workers and their spouses. Different rules apply to surviving spouses. Widow(er)s and divorced widow(er)s may claim survivor benefits as early as age 60. Disabled widow(er)s and disabled divorced widow(er)s may claim survivor benefits as early as age 50.

Actuarial Modification to Benefits for Workers Who Claim Benefits Before or After the FRA

Actuarial adjustments to benefits claimed before or after the FRA are intended to provide the worker with roughly the same total *lifetime* benefits regardless of the age at which he or she begins receiving benefits, and assuming he or she lives to average life expectancy.⁵ Therefore, if a worker claims benefits before the FRA, his or her monthly benefit is *reduced* to take into account the longer expected period of benefit receipt; if a worker claims benefits after the FRA, his or her monthly benefit is *increased* to take into account a shorter expected period of benefit receipt.

An individual can see the effect of early or late retirement on his or her retirement benefits at the following website: http://www.socialsecurity.gov/OACT/quickcalc/early_late.html#calculator.

⁴ When Social Security was first established in 1935, it featured a single retirement age at 65, but no early retirement age. The Social Security Amendments of 1956 (P.L. 880, 84th Congress) created an early retirement age for women, by making retired-worker benefits available to women starting at age 62. The Social Security Amendments of 1961 (P.L. 87-64) made retired-worker benefits available to men beginning at age 62.

⁵ A beneficiary's monthly Social Security benefit may be reduced by other provisions, including the retirement earnings test (RET) which applies to workers who are below FRA and who continue to draw a wage or salary from work after they have claimed Social Security benefits. For more on the RET, see Social Security Administration publication, "Exempt Amounts Under the Earnings Test, <http://www.socialsecurity.gov/OACT/COLA/rtea.html>. Two other provisions apply to workers who have a pension from employment that was not covered by Social Security: the windfall elimination provision (WEP) and the government pension offset (GPO). For more on the WEP, see CRS Report 98-35, *Social Security: The Windfall Elimination Provision (WEP)*, by Christine Scott. For more on the GPO, see CRS Report RL32453, *Social Security: The Government Pension Offset (GPO)*, by Christine Scott.

Actuarial Reduction for Claiming Social Security Benefits Before the FRA

When a worker claims benefits at any age between the EEA and the FRA, his or her benefits will be reduced.⁶ The reduction for claiming benefits before the FRA is permanent. The reduction to benefits taken before the FRA can be large. Consider a retired worker or spouse who claims Social Security benefits at age 62. If the worker has an FRA of 65 (i.e., somebody born in 1937 or earlier), his or her Social Security benefit would be reduced by 20%. If the worker has an FRA of 67 (i.e., somebody born in 1960 or later), the reduction to the Social Security benefit would be 30%. **Table 2** shows, for a worker with an FRA of 67, the actuarial reduction taken if this worker claims benefits at ages 62 through 66.

Table 2. Benefit Decrease for Early Retirement
(Worker's FRA is 67)

Worker Claims Benefits at Age	Actuarial Reduction to Monthly Benefit Amount
62	30%
63	25%
64	20%
65	13 1/3%
66	6 2/3%

Source: Social Security Administration, <http://www.socialsecurity.gov/pubs/retirechart.htm>.

Note: Widow(er)s of deceased workers, including divorced surviving spouses, may be eligible for aged widow(er) benefits at age 60, or at 50 if disabled.

For a worker whose FRA is 66, the decision to claim benefits at age 62 results in a 25% reduction in his or her initial monthly benefit amount (not shown in **Table 2**).

Delayed Retirement Credit for Claiming Social Security Benefits After the FRA

Workers who claim benefits after the FRA and up to age 70 receive a delayed retirement credit (DRC).⁷ The DRC is intended to compensate workers for the shorter expected period of benefit receipt, by increasing the monthly benefit amount.

The percentage increase to benefits varies depending on the date of birth, as shown in **Table 3**. Benefit increases apply for each month the worker delays claiming benefits, between the worker's

⁶ Retirement benefits are reduced by five-ninths of 1% (or 0.0056) of the worker's primary insurance amount (PIA) for each month of entitlement before FRA up to 36 months, for an annual reduction of about 6.7% a year for the first three years before FRA. For each month of entitlement before FRA in excess of 36 months (the 4th and 5th years of entitlement before FRA), retirement benefits are reduced by five-twelfths of 1% (or 0.0042) of the worker's PIA, for an annual reduction of 5%.

⁷ Starting in 1990, the DRC was increased until it reached 8% per year for workers born in 1943 and later (i.e., the DRC reached 8% starting with workers who attained age 62 in 2005 or age 66 in 2009).

FRA and age 70. There is no further benefit increase after the worker reaches age 70, even if the worker still delays claiming benefits.

Table 3. Benefit Increase for Delayed Retirement

Year of Birth	Yearly Rate of Increase	Monthly Rate of Increase
1933-1934	5.5%	11/24 of 1%
1935-1936	6.0%	1/2 of 1%
1937-1938	6.5%	13/24 of 1%
1939-1940	7.0%	7/12 of 1%
1941-1942	7.5%	5/8 of 1%
1943 or later	8.0%	2/3 of 1%

Source: Social Security Administration at <http://www.socialsecurity.gov/retire2/delayret.htm>.

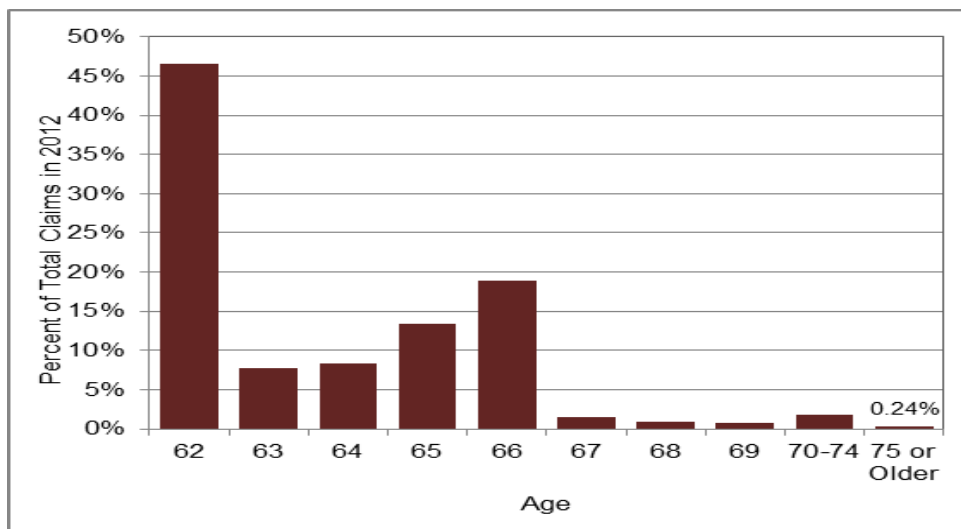
Note: Persons born on January 1 of any year should refer to the previous year of birth.

A person born in 1950 (who reaches age 62 in 2012) has an FRA of 66, as noted in **Table 1**. If this person claimed benefits one year after turning 66—that is, upon reaching age 67—his or her benefit amount (monthly and annual) would increase by 8%. If this person delayed claiming benefits until two years after turning 66—upon reaching age 68—his or her benefit amount would increase by 16%.

Age Distribution of Retirement Benefit Claims

Figure 1 shows that approximately 47% of retired worker beneficiaries who claimed Social Security benefits in 2012 were aged 62. Almost 63% of beneficiaries were under the age of 65. Approximately 2% were aged 70 or over.

Figure 1. Age Distribution of Retirement Benefit Claims in 2012



Source: Social Security Administration, 2013 Annual Statistical Supplement, Table 6.A4, <http://www.ssa.gov/policy/docs/statcomps/supplement/2013/6a.html#table6.a4>

Acknowledgments

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