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The Social Security Retirement Age: An Overview

Introduction

Social Security is a work-based federal insurance program that provides monthly cash benefits to workers and their eligible family members in the event of a worker's retirement, disability, or death. 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. (Disabled workers are subject to different rules.)

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. Workers can claim Social Security retired-worker benefits as early as age 62, the *early eligibility age* (EEA). Workers who claim benefits before the FRA are subject to a permanent reduction in their benefits (to take into account the longer expected period of benefit receipt, also called an actuarial reduction). Workers who claim benefits after the FRA receive delayed retirement credits that result in a permanent increase in their monthly benefits (to take into account the shorter expected period of benefit receipt). The credits apply up to the age of 70. Claiming benefits after attainment of age 70 does not result in any further 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 provide the worker with roughly the same total lifetime benefits, regardless of when he or she claims benefits, based on average life expectancy.

Full Retirement Age

The FRA was 65 at the inception of Social Security in the 1930s. In 1983, Congress increased the FRA as part of the Social Security Amendments of 1983 (P.L. 98-21), which made major changes to Social Security's financing and benefit structure to address the system's financial imbalance at the time. Among other changes, the FRA was increased gradually from 65 to 67 for workers born from 1938 to 1960 (see **Table 1**). Under the scheduled increases enacted in 1983, the FRA reaches 67 for workers born in 1960 or later (i.e., those attaining age 62 in 2022 or later and age 67 in 2027 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 potential improvements in the health status of workers. The 1983 amendments did not change the early eligibility age of 62; however, the increase in the FRA results in larger benefit reductions for workers who claim benefits between the age of 62 and the FRA (discussed below).

Table 1. Age to Receive Full Social Security Benefits

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

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.

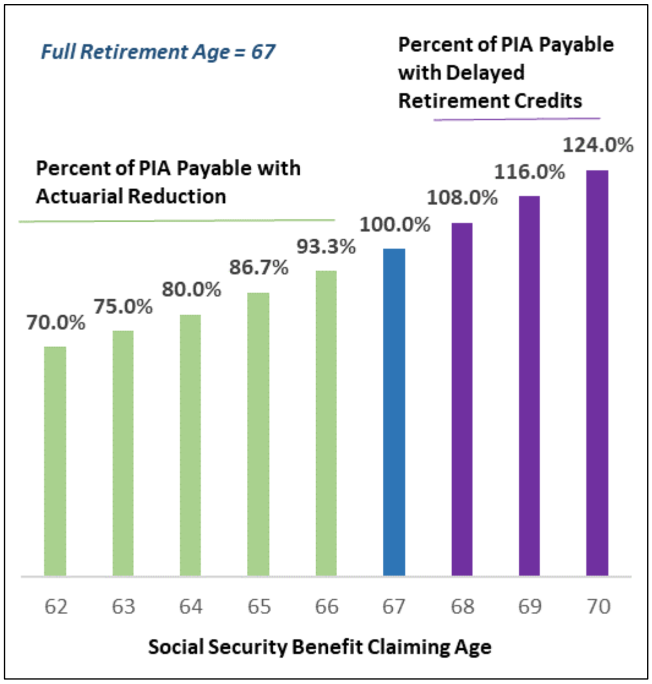
Actuarial Modification to Benefits: Claiming Before or After the FRA

The primary insurance amount (PIA) is the benefit payable to the worker at his or her 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 to the PIA 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 to the PIA each year.

Workers who claim benefits after the FRA receive *delayed retirement credits* (DRC). As with the actuarial reduction for early retirement, delayed retirement credits are permanent. The DRCs have been modified over the years. Currently, the credit is an 8% increase in the PIA 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). The maximum age at which the DRC applies is 70. Any further delay in claiming benefits past age 70 does not result in a higher benefit. (The retirement age and actuarial adjustment for spousal and widow(er) beneficiaries are slightly different from those for retired workers.)

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 to the PIA 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 to the PIA for claiming benefits three years after the FRA.

Figure 1. Effect of Claiming Age on Benefit Levels
Based on an FRA of 67



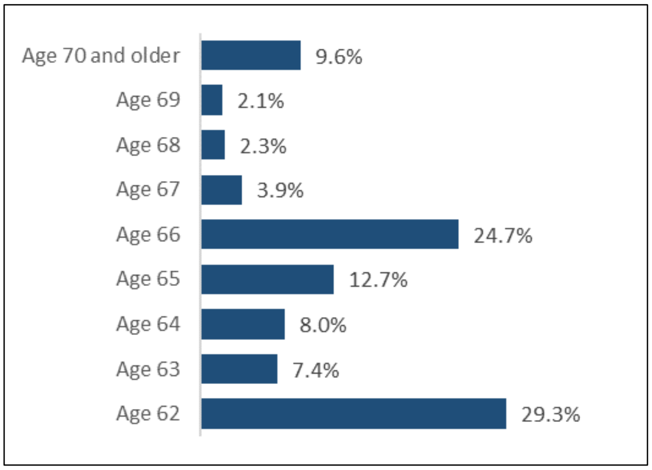
Source: CRS.

Notes: PIA = primary insurance amount. The PIA is the benefit payable to the worker at his or her FRA.

Age Distribution of New Retired-Worker Beneficiaries

Statistics published by Social Security Administration (SSA) show that a majority of retired-worker beneficiaries claim benefits before the FRA. **Figure 2** shows the age distribution of new retired-worker beneficiaries in 2021. Of the approximately 2.7 million new retired-worker beneficiaries that year, 29% claimed 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. (For more information, see CRS In Focus IF11115, *Social Security Retirement Benefit Claiming Age*.)

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



Source: SSA, *Annual Statistical Supplement, 2022,* Table 6.A4.

Notes: 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 1983 provision that increased the FRA from 65 to 67 is fully phased in for those who turn age 62 in 2022 or later. The increase in the FRA essentially reduces monthly benefits at all claiming ages, thus reducing the program cost on average. Research also shows that increasing the FRA encourages many people to work longer and delay benefit claiming, thereby increasing payroll tax contributions for the Social Security program and the average claiming age for Social Security benefits.

Over the years, many proposals have been put forth to increase the FRA, increase the EEA, or both. 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 and health status, as well as changes in job characteristics, have not been equally distributed across individuals with different characteristics such as sex, race, educational attainment, or income level. Therefore, some researchers argue that increasing the retirement age may adversely affect Social Security benefits for certain workers, particularly low-wage workers or lower-educated workers.

Additional Information

CRS Report R44670, *The Social Security Retirement Age*

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

CRS Report R47151, *Social Security: Adjustment Factors for Early or Delayed Benefit Claiming*

Zhe Li, Analyst in Social Policy

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