

C

Provisions Affecting Retirement Age

These provisions modify:

- the normal retirement age (NRA), the age at which individuals can retire and receive their full Primary Insurance Amount (PIA); or
- the earliest eligibility age (EEA), the age at which individuals can first begin receiving retirement benefits, currently age 62; or
- both of the above.

For each provision, we provide an estimate of the financial effect on the OASDI program over the long-range period (the next 75 years) and for the 75th year. We base all estimates on the intermediate assumptions described in the 2025 Trustees Report.

We group these provisions as follows:

- C1: NRA changes only;
- C2: EEA changes, with or without NRA changes.

Category C: Retirement Age (2025 Trustees Report intermediate assumptions)

Current law shortfall in long-range actuarial balance is 3.82 percent of payroll and in annual balance for the 75th year is 4.84 percent of payroll.

Description of proposed provisions	Change from current law (percent of payroll)		Shortfall eliminated	
	Long-range actuarial balance	Annual balance in 75th year	Long-range actuarial balance	Annual balance in 75th year
C1.1 Starting with those age 62 in 2026, increase the normal retirement age (NRA) 1 month every 2 years until the NRA reaches 68.	0.45	0.72	12%	15%
C1.2 Increase the normal retirement age (NRA) 2 months per year for those age 62 starting in 2026 and ending in 2031 (NRA reaches 68 for those age 62 in 2031).	0.54	0.72	14%	15%
C1.3 Starting for those age 62 in 2026, index the normal retirement age (NRA) to maintain a constant ratio of expected retirement years (life expectancy at NRA) to potential work years (NRA minus 20). We assume the NRA will increase 1 month every 2 years.	0.69	1.80	18%	37%
C1.4 Increase the normal retirement age (NRA) 2 months per year for those age 62 starting in 2026 and ending in 2037 (NRA reaches 69 for those age 62 in 2037). Thereafter, increase the NRA 1 month every 2 years.	1.36	2.58	36%	53%
C1.6 Starting with those age 62 in 2026, increase the normal retirement age (NRA) 1 month every 2 years until the NRA reaches 69. Also increase the age up to which the delayed retirement credit may be earned at the same rate (from 70 to 72). No change to earliest eligibility age.	0.65	1.37	17%	28%
C1.7 Increase the normal retirement age (NRA) 3 months per year for those age 62 starting in 2026 and ending in 2033 (NRA reaches 69 for those age 62 in 2033). Increase the age up to which delayed retirement credits may be earned from 70 to 72 on the same schedule. Increase the widow(er) NRA in the same manner. The earliest eligibility age (EEA) for worker's and widow(er)'s benefit is unchanged.	1.04	1.38	27%	29%
C2.1 Increase the earliest eligibility age (EEA) by 2 months per year for those age 62 starting in 2027 and ending in 2044 (EEA reaches 65 for those age 62 in 2044).	-0.09	-0.44	-2%	-9%
C2.2 Starting for those age 62 in 2026, index the normal retirement age (NRA) to maintain a constant ratio of expected retirement years (life expectancy at NRA) to potential work years (NRA minus 20). We assume the NRA will increase 1 month every 2 years. Also, raise the earliest eligibility age (EEA) for retired-workers, aged widow(er)s, and disabled widow(er)s by the same amount as the NRA starting for those attaining 62 in 2026.	0.66	1.59	17%	33%
C2.3 Starting for those age 62 in 2026, index the normal retirement age (NRA) to maintain a constant ratio of expected retirement years (life expectancy at NRA) to potential work years (NRA minus 20). We assume the NRA will increase 1 month every 2 years. Also, increase the earliest eligibility age (EEA) by the same amount as the NRA starting for those age 62 in 2026 so as to maintain a 5 year difference between the two ages. Include a hardship exemption with no EEA/NRA change for a worker with 25 years of earnings (with 4 quarters of coverage each), and average indexed monthly earnings (AIME) less than 250 percent of the poverty level (wage-indexed from 2013). The hardship exemption is phased out for those with AIME above 400 percent of the poverty level.	0.50	1.21	13%	25%

Category C: Retirement Age (continued)

Current law shortfall in long-range actuarial balance is 3.82 percent of payroll and in annual balance for the 75th year is 4.84 percent of payroll.

Description of proposed provisions	Change from current law (percent of payroll)		Shortfall eliminated	
	Long-range actuarial balance	Annual balance in 75th year	Long-range actuarial balance	Annual balance in 75th year
C2.4 Starting for those age 62 in 2026, increase both the normal retirement age (NRA) and the earliest eligibility age (EEA) by 36/47 of a month per year until the NRA and EEA reach 70 and 65 respectively. For each year, the computed NRA and EEA round down to the next lower full month.	0.85	1.61	22%	33%
C2.5 Increase the normal retirement age (NRA) 3 months per year for those age 62 starting in 2026 and ending in 2037 (NRA reaches 70 for those age 62 in 2037). Thereafter, index the NRA to maintain a constant ratio of expected retirement years (life expectancy at NRA) to potential work years (NRA minus 20). We assume the NRA will increase 1 month every 2 years. Also, increase the earliest eligibility age (EEA) from 62 to 64 at the same time the NRA increases from 67 to 69; that is, for those attaining age 62 in 2026 through 2033. Keep EEA at 64 thereafter.	1.68	3.07	44%	63%
C2.6 Increase the normal retirement age (NRA) and the earliest eligibility age (EEA) for those age 62 in 2026-2027 to 68 and 63, respectively, and then by 3 months per year in 2028-2031 to 69 and 64, respectively.	0.93	1.14	24%	24%
C2.7 Increase the normal retirement age (NRA) and the earliest eligibility age (EEA) for those age 62 starting in 2026 by 3 months per year until EEA reaches 64 in 2033 and NRA reaches 69 in 2033.	0.91	1.14	24%	24%
C2.8 Starting in 2028, convert all disabled-worker beneficiaries to retired-worker status upon attainment of their earliest eligibility age (EEA) rather than their normal retirement age (NRA). After conversion, apply the early retirement reduction for retirement at EEA (currently 30 percent for those age 62 in 2028) phased in over 40 years.	0.39	0.71	10%	15%