Research Portfolio on Retirement

Retirement Trajectories and Social Security's Retirement Earnings Test

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Executive Summary

Social Security's retirement earnings test (RET) temporarily withholds or reduces the Social Security benefits of people below full retirement age (FRA) who work and earn above a certain threshold while collecting retirement benefits.[1] Those benefits are increased at FRA to account for the months when benefits were withheld or reduced under the RET. The legislative intent of the RET, which has been part of the law since Social Security's creation in 1935, was to determine whether a worker had left the workforce, since Social Security is designed as an insurance program to partially replace insured workers' wages that are lost due to old age, disability, or death (for surviving dependents).[2] Studies show that most people do not fully understand how the RET works.[3] While many know that benefits are reduced due to earnings before FRA, most do not understand that this reduction is temporary.[4]

This paper examines the RET in the context of changing work and retirement patterns. We analyze retirement trajectories using micro-data from the Health and Retirement Study (HRS), a nationally representative survey of Americans ages 50 or older and their spouses conducted every two years. We find that over half of the early baby boomer cohort follows a nontraditional retirement path involving either partial retirement or a return to work before permanently leaving the labor force. Half of those who returned to work reported receiving Social Security retirement benefits before returning to work; of these people, 40 percent were below FRA when they returned to work. It is important for older workers and their families to understand the implications of the RET for their

[1] The Social Security Administration (SSA) sometimes refers to the RET as the annual earnings test or earnings test. For clarity, we use the term RET throughout the paper. The earnings test can also apply to survivor benefits, but we focus on retirement benefits in this paper. SSA, "Annual Earnings Test (AET) Charts," Program Operations Manual System (POMS) RS 02501.001 (April 13, 2011); SSA, "The Earnings Test," POMS RS 02501.021 (November 7, 2023).

[2] Larry DeWitt, "Special Study #7: The History and Development of the Social Security Retirement Earnings Test," SSA, August 1999; Robert J Myers, "Basis and Background of the Retirement Earnings Test," *Social Security Bulletin* (March 1954): 14.

[3] Megan E Weber, Stephen Spiller, Suzanne Shu, and Hal E Hershfield, *Communicating the Implications of How Long to Work and When to Claim Social Security Benefits*, National Bureau of Economic Research (NBER) Working Paper (WP) NB21-04 (September 2021): 7; S Kathi Brown, *The Impact of Claiming Age on Monthly Social Security Retirement Benefits: How Knowledgeable Are Future Beneficiaries?*, AARP, February 2012: 1; Jeffrey R Brown, Arie Kapteyn, Teryn Mattox, and Olivia S Mitchell, *Framing the Social Security Earnings Test*, Pension Research Council WP 2013-06 (July 2013): 4.

[4] Weber et al, *Communicating the Implications*, 3; Brown, *The Impact of Claiming Age*, 1; Brown et al, *Framing the Social Security Earnings Test*, 16.

work and retirement decisions, given the varied paths people take when permanently leaving the workforce.

The Social Security Administration (SSA) provides several resources to educate the public about the RET.[5] However, this paper demonstrates that not all these resources clearly explain the key features of the RET, and not all the information is conveyed consistently across resources. SSA could improve these materials to communicate the implications of work and retirement more clearly to workers and their families. We conclude by offering recommendations for how SSA can improve these public resources, such as using plain language, ensuring information is consistent and accurate across resources, and improving tools such as the RET calculator. Reminding workers how the RET operates at various points during their careers could help improve awareness of its potential applicability for those who follow nontraditional retirement paths.

[5] SSA, "Receiving Benefits While Working," last accessed September 29, 2023; SSA, *How Work Affects Your Benefits*, 2023; SSA, "Retirement Earnings Test Calculator," last accessed September 29, 2023; SSA, "Program Explainers: Retirement Earnings Test," June 2015; SSA, "Exempt Amounts Under the Earnings Test," last accessed September 29, 2023; SSA, "Frequently Asked Questions: What Happens if I Work and Get Social Security Retirement Benefits?," January 3, 2023.

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Acronyms

Acronym	Term
BPC	Bipartisan Policy Center
CRR	Center for Retirement Research
CRS	Congressional Research Service
EBB	Early Baby Boomers
FRA	Full Retirement Age
GAO	Government Accountability Office
HRS	Health and Retirement Study
MBB	Mid-Baby Boomers
NBER	National Bureau of Economic Research
NCSSMA	National Council of Social Security Management Associations
NIA	National Institute on Aging
OCACT	Office of the Chief Actuary
PIA	Primary Insurance Amount
POMS	Policy Operations Manual System
RET	Retirement Earnings Test
SSA	Social Security Administration
WP	Working Paper

Introduction

Social Security's RET is poorly understood by the public.[6, 7] The RET temporarily suspends the retirement benefits, in whole or in part, of beneficiaries who begin to collect Social Security benefits before attaining FRA and who work and earn above a certain dollar threshold while receiving benefits.[8] Monthly benefits are increased upon attaining FRA to account for months in which benefits were withheld or reduced under the RET, so that over an average lifetime, a person will recoup all of the benefits withheld due to the RET. Understanding the RET should allow workers and retirees to make fully informed decisions about when to begin collecting Social Security retirement benefits, whether to return to work before FRA if already collecting retirement benefits, and when to permanently stop working.

This paper examines the RET in the context of changing work and retirement patterns. We begin by describing the mechanics of the RET, SSA's resources to help beneficiaries, workers, and their families learn about the RET, and the implications of alternative policy proposals. We analyze retirement trajectories by examining baby boomers' retirement patterns using micro-data from the HRS, a nationally representative survey of Americans ages 50 or older and their spouses conducted every two years. Our goal is to provide descriptive information on the retirement trajectories of this cohort to provide context for people's decisions regarding work and benefits that may be affected by the RET. We conclude by offering recommendations for how SSA can improve its RET materials, given the shifting retirement landscape.

[6] Weber et al, *Communicating the Implications*, 7; Brown, *The Impact of Claiming Age*, 1; Brown et al, *Framing the Social Security Earnings Test*, 4.
[7] SSA sometimes refers to the RET as the annual earnings test or earnings test. For clarity, we use the term RET throughout the paper. SSA, POMS, RS 02501.001 (2011); SSA, POMS, RS02501.021 (2023).
[8] The earnings test can apply to retirement and survivor benefits, but we focus on retirement benefits in this paper.

Background

Work and Retirement Pathways for Older People

Definitions

Retirement and work status, as used in this paper, are based on self-reports of labor force status and retirement status in the HRS. They are not tied to receipt of Social Security retirement benefits.

Full retirement: People who have fully retired have left the labor force, are no longer working, and consider themselves to be retired. These people may or may not be receiving Social Security retirement benefits.

Partial retirement: People in this state consider themselves to be partially retired and are generally working part-time. They may have scaled back work hours at their current job or switched to a part-time job. These people may or may not be receiving Social Security retirement benefits.

Full-time work: Working 35 or more hours per week, 36 or more weeks per year.

Part-time work: Working less than 35 hours per week or 36 weeks per year.

Bridge employment: Jobs that serve as a transition between full-time work and full retirement. They are frequently located in a different industry or occupation from the person's longest lasting job and may involve reduced hours.

Older workers are taking increasingly varied paths out of the workforce, becoming more likely to partially retire or move in and out of the labor force before permanently leaving the workforce.[9] In addition, people may take "bridge" jobs, defined above, as they transition from career employment to full retirement.[10] Understanding the trajectories that older people take when transitioning out of the labor force is important, given interactions between labor earnings and Social Security benefits.

Studies on pre-baby boom populations born from 1931 to 1941 find that many people do not follow a traditional retirement path of permanently leaving the

[9] Richard W Johnson, Barbara A Butrica, and Corina Mommaerts, *Work and Retirement Patterns for the GI Generation, Silent Generation, and Early Boomers: Thirty Years of Change*, Center for Retirement Research (CRR) at Boston College WP 2010-8 (July 2010): 4.
[10] Mo Wang, Yujie Zhan, Songqi Liu, and Kenneth Shultz, "Antecedents of Bridge Employment: A Longitudinal Investigation," *Journal of Applied Psychology* 93, no. 4 (July 1, 2008): 818.

workforce from full-time work.[11] One study reports that almost 50 percent of retirees born from 1931 to 1941 who are observed for at least six years after reporting they left the labor force to retire follow a path that involves partial retirement or moving in and out of the workforce before permanently exiting.[12] It finds that over one-quarter of the members of this birth cohort go back to work after self-reporting that they had retired.[13, 14] Another study using the same cohort finds that half of men and fewer than half of women (50 percent and 43 percent, respectively) choose to rejoin the labor force after initially reporting that they had retired.[15]

There are some differences in retirement trajectories by demographic characteristics. Returning to work before permanently exiting the workforce appears to be more common for younger retirees.[16] One study finds that the rates of return to part-time work between ages 62 and 65 are greater than the rates of return to full-time work for this age group.[17]

Some studies find that men are more likely to return to work before permanently exiting the workforce than women.[18] Men who return to work after self-reporting that they have retired are more likely to return to full-time positions, while women are more likely to return to part-time work.[19] Women with high household wealth are less likely to return to work after self-reporting retirement compared to men with high household wealth.[20] Married women are less likely to return to work than unmarried women (including those who are widowed, divorced, separated, and never married) and men of any marital status.[21] The likelihood of reentering the labor force increases with time out of

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[11] Nicole Maestas, *Back to Work: Expectations and Realizations of Work After Retirement*, RAND WP WR-196-2 (April 2007): 3; Kevin E Cahill, Michael D Giandrea, and Joseph F Quinn, "Reentering the Labor Force After Retirement," *Monthly Labor Review* (June 2011): 41; Robin L Pleau, "Gender Differences in Postretirement Employment," *Research on Aging* 32, no. 3 (May 2010): 267.
[12] Maestas, *Back to Work*, 28.
[13] Maestas, *Back to Work*, 3.
[14] About 60 percent of those who returned to work after reporting they had retired switched occupations. Maestas, *Back to Work*, 27.
[15] Pleau, "Gender Differences in Postretirement Employment," 267.
[16] Maestas, *Back to Work*, 3; Cahill, Giandrea, and Quinn, "Reentering the Labor Force," 41; David F Warner, Mark D Hayward, and Melissa A Hardy, "The Retirement Life Course in America at the Dawn of the Twenty-First Century," *Population Research and Policy Review* 29, no. 6 (January 2010): 9.
[17] Ben Lennox Kail and David F Warner, "Leaving Retirement: Age-Graded Risks of Transitioning Back to Work or Dying," *Population Research and Policy Review*, 32 (2013): 167.
[18] Maestas, *Back to Work*, 21; Pleau, "Gender Differences in Postretirement Employment," 267.
[19] Kail and Warner, "Leaving Retirement," 159.
[20] Pleau, "Gender Differences in Postretirement Employment," 291.
[21] Pleau, "Gender Differences in Postretirement Employment," 291.

the labor force for divorced and separated women relative to married women.[22] The likelihood of reentering the workforce for widowed and never-married women is not significantly different from that of married women.

There are also differences by race, education level, and health. Hispanics are less likely to return to work after reporting retirement than white and Black retirees.[23] While one study finds that returning to work after reporting retirement does not vary by education,[24] others find that those with higher levels of education are more likely to return to work.[25] Nontraditional pathways to retirement are more common among those who complete high school or attend college than those with less education.[26] People in better health are also more likely to return to work before permanently exiting the workforce.[27]

Much of the literature on patterns of work and retirement uses the original HRS cohort members, born from 1931 to 1941, and their spouses. A few studies examine other cohorts. One study compares the retirement patterns of the GI Generation (born from 1913 to 1917), the Silent Generation (born from 1933 to 1937), and early baby boomers (defined in this study as those born from 1943 to 1947) and finds more varied retirement patterns over time.[28] This study finds that male and female workers of the Silent Generation were less likely than those of the GI Generation to follow the traditional path of retiring from the labor force and not returning to work.[29] Another study compares the war baby cohort (defined in this study as those born from 1942 to 1947) to the original HRS cohort and finds that majorities of both cohorts followed a gradual transition into full retirement.[30] Almost two-thirds (64 percent) of the war baby cohort left career jobs and moved to a bridge job rather than retiring directly, compared to 60 percent of the original HRS cohort.[31]

Older adults may have different reasons for returning to work, such as needing additional income or a lack of fulfillment in retirement. One study finds that

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[22] Pleau, "Gender Differences in Postretirement Employment," 294.
[23] Maestas, *Back to Work*, 7.
[24] Maestas, *Back to Work*, 8.
[25] Pleau, "Gender Differences in Postretirement Employment," 294.
[26] Johnson, Butrica, and Mommaerts, *Work and Retirement Patterns*, 27.
[27] Cahill, Giandrea, and Quinn, "Reentering the Labor Force," 41; Pleau, "Gender Differences in Postretirement Employment," 294.
[28] Johnson, Butrica, and Mommaerts, *Work and Retirement Patterns*, 4.
[29] Johnson, Butrica, and Mommaerts, *Work and Retirement Patterns*, 4.
[30] Michael D Giandrea, Kevin E Cahill, and Joseph F Quinn, "Bridge Jobs: A Comparison Across Cohorts," *Research on Aging* 31, no. 5 (September 2009): 571.
[31] Giandrea, Cahill, and Quinn, "Bridge Jobs," 571.

most people who return to work anticipated doing so prior to leaving the workforce.[32] For these people, returning to work is not the result of financial shocks, poor planning, or low wealth accumulation.[33] Among the small proportion of people who unexpectedly return to work, the analysis indicates that those worried about not being productive during retirement are more likely to return to work after reporting that they have retired.[34] For people who expected to work but did not, the findings suggest that improved retirement finances or health challenges are reasons for not returning to work.[35]

Age discrimination may play a role in finding employment at older ages. One study sent resumes for female workers of different ages to firms in Massachusetts and Florida and found that a younger worker was 40 percent more likely than an older worker (age 50 or older) to be called in for an interview.[36] Another study of organizations with over 50 employees finds that one-quarter were reluctant to hire older workers.[37] Age discrimination could influence the retirement paths that older adults take.

As people take these varied paths out of the labor force, they need to understand the implications for their Social Security retirement benefits. The RET has implications for older workers' choices about work and retirement. The following section provides an overview of the RET and examines the resources provided by SSA and the literature regarding the RET.

Retirement Earnings Test (RET)

The RET currently applies to Social Security retirement beneficiaries under FRA.[38] If a beneficiary is younger than FRA for the entire year, benefits are reduced by $1 for every $2 a beneficiary works and earns above an annual level

[32] Maestas, *Back to Work*, 3.
[33] Maestas, *Back to Work*, 29.
[34] Maestas, *Back to Work*, 29.
[35] Maestas, *Back to Work*, 29.
[36] Joanna N Lahey, *Do Older Workers Face Discrimination?*, CRR at Boston College Issue Brief no. 33 (July 2005): 3.
[37] Marcie Pitt-Catsouphes, Michael A Smyer, Christina Matz-Costa, and Katherine Kane, *The National Study Report: Phase II of the National Study of Business Strategy and Workforce Development*, Sloan Center on Aging and Work at Boston College, 2007: 11.
[38] For those born between 1943 and 1954, FRA is 66. For those born between 1955 and 1959, FRA ranges from 66 and 2 months to 66 and 10 months. For those born in 1960 or later, FRA is 67. The earliest age at which someone can start receiving Social Security retirement benefits is 62. SSA, "Retirement Age Calculator," last accessed October 3, 2023.

of earnings.[39] For 2023, that earnings level is $21,240.[40] In the calendar year the beneficiary reaches FRA, benefits are reduced by $1 for every $3 earned above a higher earnings level (in 2023, the level is $56,520).[41, 42] Earnings in this calendar year are only counted through the month before the person reaches FRA.[43]

People who claim benefits before FRA are subject to a permanent actuarial reduction for each month that benefits are claimed before FRA. The RET is applied to benefits received before FRA, resulting in a further, temporary reduction of benefits if earnings are above the RET level.[44] If a person notifies SSA of expected earnings and is subject to a RET reduction in a given year, SSA withholds benefits until the reduction amount has been reached (see example text box below). SSA's Office of the Chief Actuary (OCACT) estimated in 2019 that about 520,000 beneficiaries aged below FRA would have their benefits reduced or entirely withheld due to the RET that year.[45]

Starting with the month the beneficiary reaches FRA, the RET no longer applies. If a beneficiary had monthly benefits withheld or reduced due to work before FRA, their monthly benefit amount increases at FRA to account for those months. When benefits are recalculated at FRA, SSA treats each month where benefits were withheld or partially reduced as a month where benefits were not claimed early (see example text box below).[46]

The text box below shows an example of a person who claims retirement benefits at age 62 and later returns to work and has benefits withheld due to the RET. It illustrates how the RET reduction works and how her benefits are recalculated at FRA to account for the months when her benefits were withheld or reduced.

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[39] SSA, "Receiving Benefits While Working."
[40] SSA, "Receiving Benefits While Working."
[41] SSA, "Receiving Benefits While Working."
[42] The exempt amounts generally increase each year with increases in the national average wage index. SSA, "Exempt Amounts Under the Earnings Test."
[43] SSA, "Receiving Benefits While Working."
[44] Congressional Research Service (CRS), *Social Security Retirement Earnings Test: How Earnings Affect Benefits*, R41242 (May 10, 2023): 6.
[45] Stephen C Goss to Jackie Walorski, SSA Office of the Chief Actuary (OCACT), May 14, 2019, 2.
[46] CRS, *Social Security RET*, 9.

RET Example

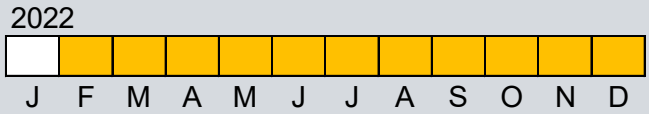
Consider a person, Jane, born January 15, 1960. Her FRA is 67. Her primary insurance amount (PIA) is $2,840 (the monthly benefit she would receive if she filed at FRA).

Jane begins receiving retirement benefits as soon as she is eligible to, at 62 and one month (February 2022). She is not working when she files and does not work at all in 2022. Because she claimed 59 months early, her benefit amount is reduced to $2,000 per month.* She receives this amount in February - December 2022 (a).

Legend:

$0 $2,000 $1,620 $2,094

a.



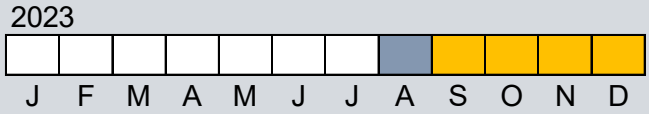
In 2023, Jane goes back to work. She expects to earn $50,000 for the year. The RET threshold is $21,240. The amount she expects to earn above the threshold is $28,760 (=$50,000-$21,240). She is subject to the $1 for $2 reduction above the threshold, for a reduction of $14,380 (=$28,760/2).

Jane's 2023 benefits are withheld until this amount is reached. That means seven months of benefits are withheld completely (January – July, $14,000). In August, a partial payment of $1,620 is due to Jane (=$2,000 – $380).†, ‡ In September – December, she receives $2,000 per month, as before (b).§, **

Legend:

$0 $2,000 $1,620 $2,094

b.

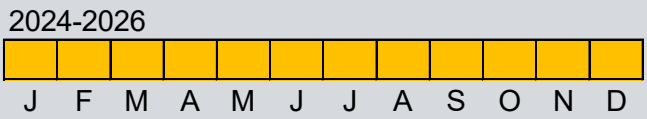


(continued)

Jane stops working permanently at the end of 2023. She continues to receive $2,000 per month until she reaches her FRA in January 2027 (c).

Legend:

c.



Jane turns 67 in January 2027. At this time, the actuarial reduction factors used to reduce Jane's benefits for early retirement are adjusted for the months when her benefits were withheld or reduced due to the RET. Her benefit was originally reduced from $2,840 to $2,000 because she claimed 59 months before FRA. However, she had eight months of benefits fully or partially withheld due to the RET. At FRA, her benefit amount is recalculated to account for 51 months of early claiming instead of 59 (=59-8). Her new benefit amount is $2,094.†† She will receive this amount for the remainder of her life (d).‡‡

Legend:

d.

With the additional $94 per month in benefits, if Jane lives to age 79 and 3/4, she will have recouped in full the $14,380 that was withheld due to the RET.§§

Source: Adapted from CRS, *Social Security RET*, 7-10.

* Benefits are reduced by 5/9 of one percent for each month before FRA, up to 36 months. After 36 months, benefits are further reduced by 5/12 of one percent per month before FRA. Jane's benefit at 59 months before FRA is 70.42 percent of her PIA. SSA, "Early or Late Retirement?," last accessed October 3, 2023.

† During tax season of 2024, SSA verifies Jane's 2023 earnings. She did indeed earn $50,000, so she receives her partial benefit payment of $1,620 for August 2023 at this time. If her actual earnings differ from her expected earnings, the partial benefit payment would be adjusted. If Jane realizes during 2023 that her earnings will be more or less than $50,000, she should contact SSA.

‡ If Jane fails to report her earnings to SSA, she may have an overpayment and may face a penalty if she willfully and knowingly failed to report her earnings timely. SSA, "When to Assess a Penalty for Late Reports," POMS GN02604.100 (June 30, 2023).

§ Jane's benefit will increase each year due to cost-of-living adjustments, but we have ignored those in this example for simplicity.

** Working can also affect whether Jane pays taxes on her Social Security benefits. If the sum of her adjusted gross income, nontaxable interest, and half of her Social Security benefits (collectively referred to as combined income) is between $25,000 and $34,000 (if she files taxes as an individual) or if she and

her spouse have combined income between $32,000 and $44,000 (filing jointly), she may have to pay income tax on up to 50 percent of her benefits. If her combined income is more than $34,000 (filing as an individual) or she and her spouse have combined income of more than $44,000 (filing jointly), up to 85 percent of her benefits may be taxable. SSA, "Income Taxes and Your Social Security Benefit," last accessed October 3, 2023.
†† Instead of a reduction to 70.42 percent of PIA, Jane's benefits are now 73.75 percent of PIA.
‡‡ Because 2023 is not one of Jane's 35 highest years of earnings, her PIA is not recalculated. If 2023 had been one of her 35 highest years of earnings, her PIA would have been recalculated and her benefit amount would have increased.
§§ The average life expectancy at birth for females born in 1960 is 80.3 years. SSA, "Table V.A.4—Cohort Life Expectancy," last accessed October 3, 2023.

In addition to the adjustment at FRA described in the example above, a person's monthly benefit amount may increase if the latest year(s) of earnings are among the 35 highest years of earnings during the beneficiary's lifetime.[47] This adjustment happens automatically each year. In the example above, this would occur if Jane's 2023 earnings of $50,000 are higher than one of her 35 highest years of earnings before 2023.

Each year, beneficiaries are supposed to report their predicted earnings for the upcoming year to SSA.[48] SSA policy instructs staff to encourage high earnings estimates from beneficiaries to avoid an overpayment.[49] Beneficiaries are also advised to contact SSA if there are any changes to their expected earnings.[50] SSA can use earnings information from W-2s and self-employment tax returns instead of self-reports from beneficiaries.[51] If a beneficiary does not report their earnings to SSA, they may be subject to an overpayment and may face a penalty if they knowingly failed to report their earnings timely.[52] Determining income under the RET is more complicated for self-employed earners and certain categories of earnings, such as royalties.[53]

Beneficiaries' predicted earnings are verified the following year, usually during tax season.[54] If SSA expects a beneficiary to receive a partial benefit payment for any month due to the RET (such as Jane in August 2023 in the example above), those partial benefits are paid after verification the following year.[55] SSA pays the partial benefit sooner if the beneficiary protests the withholding

[47] SSA, "Receiving Benefits While Working."
[48] CRS, *Social Security RET*, 5.
[49] SSA, "Encouraging Beneficiaries to Use High Earnings Estimates," POMS RS 02501.105 (April 7, 2023).
[50] SSA, "Administering the Earnings Test," POMS RS 02510.001 (April 16, 2023).
[51] SSA, "Enforcement of AET," POMS RS 02510.026 (May 20, 2013).
[52] SSA, POMS GN 02604.100 (2023).
[53] SSA, "Treatment of Royalties," POMS RS 02505.060 (November 21, 2023).
[54] CRS, *Social Security RET*, 6.
[55] CRS, *Social Security RET*, 6.

of the full month's benefit, either orally or in writing.[56] SSA can also prorate benefits upon request by the beneficiary, distributing reduced payments in all months of a year instead of withholding benefits completely for some months.[57]

The RET is designed to be actuarially fair over the average person's lifetime. This means that beneficiaries who live to exactly their projected average life expectancies will recoup all of the benefits withheld due to the RET by the time of their deaths.[58] However, all beneficiaries who die shortly after FRA will not recover all their lost benefits, while those who live longer than expected will receive more than the amount of the benefits withheld due to the RET.[59] This is the same as for all actuarial adjustments, such as the early retirement reductions described above and delayed retirement credits (which apply to people who claim after FRA).

Information Provided by SSA on the RET

SSA has several public resources on its website to help current workers and their families and current beneficiaries understand how work and retirement benefits interact for those ages 62 to FRA. These include a website page,[60] brochure,[61] calculator,[62] program explainer with a visualization,[63] a web page listing the exempt amounts for each year,[64] and a frequently asked questions page.[65] These resources explain that benefits may be temporarily reduced if the person is working and below FRA. They explain how the calculation works in the years before FRA and the year the person reaches FRA. The materials explain that SSA recalculates benefits at FRA to account for the reductions. They also explain that SSA may recalculate benefits if the person's latest year(s) of earnings is among their 35 highest years of earnings during their lifetime.

In addition to these explanations, several of these resources provide additional tools. The RET calculator allows a user to enter their date of birth, estimated

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[56] SSA, "Imposing Work Suspensions," POMS RS 02501.100 (November 9, 2023).
[57] SSA, "Prorating Work Suspensions," POMS RS 02501.120 (November 9, 2023). SSA does not prorate benefits if the person has an existing overpayment.
[58] SSA, "Program Explainers: RET."
[59] CRS, *Social Security RET*, 19.
[60] SSA, "Receiving Benefits While Working."
[61] SSA, *How Work Affects Your Benefits*.
[62] SSA, "RET Calculator."
[63] SSA, "Program Explainers: RET."
[64] SSA, "Exempt Amounts Under the Earnings Test."
[65] SSA, "Frequently Asked Questions."

earnings, estimated monthly retirement benefit before application of the RET, and whether this is their first year receiving benefits.[66] It then tells the person how much their benefits will be reduced (if they are below FRA and earning above the threshold) and explains the calculation. The RET program explainer includes a visualization showing how benefits are reduced before FRA and then increased after FRA in a manner intended to be actuarially fair over a typical life span.

Besides the online resources, SSA's Program Operations Manual System (POMS) guides field office staff on implementing the RET.[67] It states that technicians must clearly explain the relationship between work activity and the RET to all beneficiaries under FRA. The information conveyed must state that benefit reductions under the RET because of work activity before FRA will result in a permanently higher monthly benefit at FRA.

A Government Accountability Office (GAO) study conducted in 2016 observed 30 in-person claims at SSA field offices and found that only 7 of the 18 claimants for whom the RET potentially applied were given complete and accurate information on how the RET worked.[68] They recommended that SSA ensure that claims specialists clearly explain the RET when appropriate and inform claimants that any benefits withheld because of earnings above the threshold will result in a higher monthly benefit starting at FRA.[69] In response to this audit, SSA released an October 2016 administrative message and a March 2020 training video instructing claims technicians to explain the RET to claimants clearly.[70] The training video included a scenario showing a technician explaining the RET to a claimant.[71]

In discussions with the National Council of Social Security Management Associations (NCSSMA), NCSSMA leadership indicated that policy surrounding the RET is not always implemented consistently across SSA field offices.[72] NCSSMA confirmed that field office staff receive frequent questions about the

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[66] If earnings during the first year a person received retirement benefits occurred before the start of the benefits, a special rule allows SSA to pay full retirement benefits for any whole month the person is retired. SSA, "Receiving Benefits While Working."
[67] SSA, POMS RS 02501.021 (2023).
[68] Government Accountability Office (GAO), *Social Security: Improvements to Claims Process Could Help People Make Better Informed Decisions about Retirement Benefits*, GAO-16-786 (September 14, 2016): 29.
[69] GAO, *Improvements to Claims Process*, 5.
[70] GAO, *Improvements to Claims Process*.
[71] GAO, *Improvements to Claims Process*.
[72] SSAB discussion with NCSSMA, January 13, 2023 (on file with SSAB).

effects of income on retirement benefits. They indicated that beneficiaries are confused about how income – both from earnings and other income, such as inheritances or income from selling property – does or does not affect their benefits.[73] Although policy instructs field office staff to discuss the RET with everyone to whom it applies when they claim retirement benefits, that does not always happen. NCSSMA noted that beneficiaries and claimants face different situations, and the role of the field office staff is not to provide advice on the individual financial circumstances faced by beneficiaries. NCSSMA indicated that field office staff frequently do not initiate discussions about the RET if the claimant has stopped working unless claimants or beneficiaries ask questions related to it. They noted that SSA could make the website easier to understand by simplifying the language surrounding the RET and making the tools easier to use.

The Public's Understanding of the RET

Most people do not fully understand the RET. Several studies show that between one-quarter and one-half of prospective retirees are unaware that working after claiming retirement benefits before FRA might lower monthly benefits.[74] However, while many understand that benefits are reduced due to earnings above the threshold before FRA, most do not know that this reduction is temporary and that the monthly benefit is actuarially adjusted at FRA to account for months of withheld benefits.[75] Among those who are aware that benefits are reduced, only 30 to 40 percent understand that monthly benefits will be increased after FRA.[76] In addition, those who know there is a retirement earnings test overestimate the amount they can earn before benefits are reduced.[77] Many financial advisors essentially describe the RET as a tax and fail to explain to clients that the monthly benefits reduced due to work will later trigger a higher monthly benefit at FRA.[78]

Knowledge of the RET varies by demographic characteristics. People with higher levels of education and earnings and who are older show greater

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[73] Because the RET is intended to determine whether a worker has retired, it only applies to earnings from work. Other types of income, such as income from selling property, do not affect SSA retirement benefits. SSA, "Frequently Asked Questions."
[74] Weber et al, *Communicating the Implications*, 3.
[75] Weber et al, *Communicating the Implications*, 3; Brown, *The Impact of Claiming Age*, 4; Brown et al, *Framing the Social Security Earnings Test*, 16.
[76] Weber et al, *Communicating the Implications*, 3.
[77] Brown et al, *Framing the Social Security Earnings Test*, 16.
[78] Brown et al, *Framing the Social Security Earnings Test*, 8.

awareness of the RET.[79] One survey found that those aged 60 or older, those with higher household incomes, those with higher savings, and non-Hispanic white respondents were more likely to know that working before FRA while receiving retirement benefits could lead to benefit reductions.[80, 81] However, most respondents appear unaware that the reductions are temporary.[82] Among those aware of the RET benefit reduction, respondents with lower incomes and Hispanic and African American respondents were more likely to know that their monthly benefits would increase at FRA.[83] However, less than half of all demographic groups were aware that benefits would increase at FRA.[84]

Some studies have tested whether providing information to people can improve understanding of the RET, with mixed results. One study finds that providing straightforward, simple information regarding the RET significantly affects knowledge and prospective choices of working and claiming benefits.[85] This intervention provided information based on language found on the SSA website.[86] The study also tested two more comprehensive interventions with text-based and visual examples and found that the simple intervention had the same effect as the more comprehensive ones.[87] Another study finds that a visualization that displayed the tradeoffs between working and claiming benefits improved understanding and application of the RET in hypothetical scenarios.[88] The authors note that this visualization is similar to the one provided by SSA in the program explainer but note that SSA does not consistently include this chart in its materials on the RET.[89, 90]

However, not all interventions improve understanding of the RET. One study finds that providing a brochure and a web tutorial on three Social Security topics, including the RET, did not raise the percentage of those aware of the

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[79] Brown et al, *Framing the Social Security Earnings Test*, 17.
[80] Brown, *The Impact of Claiming Age*, 26.
[81] Many people may not be aware of the RET because they do not have earnings above the threshold. Over half of people below FRA who were receiving benefits in 2017 had earnings below the RET threshold. CRS, *Social Security RET*, 12.
[82] Brown, *The Impact of Claiming Age*, 26.
[83] Brown, *The Impact of Claiming Age*, 26.
[84] Brown, *The Impact of Claiming Age*, 27.
[85] Lila Rabinovich and Francisco Perez-Arce, "Improving Understanding of the Retirement Earnings Test," *Journal of Pension Economics and Finance* 20, no. 4, (October 2021): 496.
[86] Rabinovich and Perez-Arce, "Improving Understanding of the RET," 497.
[87] Rabinovich and Perez-Arce, "Improving Understanding of the RET," 502.
[88] Weber et al, *Communicating the Implications*, 45.
[89] Weber et al, *Communicating the Implications*, 45-46.
[90] This visualization can be found in the program explainer mentioned earlier: SSA, "Program Explainers: RET."

temporary benefit reduction from the RET.[91] They find a marginally significant increase in those who knew about the increase in the monthly benefit amount at FRA.[92] Another study tested alternative frames of the tradeoff between reduced benefits in the short run and higher benefits in the long run.[93] These frames had only minor effects on personal earnings choices and age at benefit claiming.[94]

Proposals for RET Reform

The original legislative intent of the RET was to determine whether a worker had left the workforce since Social Security is designed as an insurance program to partially replace insured workers' wages lost due to old age, disability, or death (for surviving dependents).[95] The exact form of the RET has changed over time, but the general principle has been part of the program since its enactment in 1935.[96] The 1935 law prohibited Social Security payments when any income was earned from wages. In 1939, Congress adopted $15 per month as the threshold for earnings under the RET.[97]

Since its inception, there have been many attempts to revise or repeal the RET, partly out of a desire to incentivize older adults to work more.[98] One set of changes made over the second half of the 20th century has lowered the age below which the RET applies. Initially, the RET applied to anyone claiming retirement benefits. In 1950, the RET was made applicable to retirees up to age 75. In 1954, this age threshold was lowered to 72, then to age 70 in 1977. In 2000, it was lowered to FRA.[99] Some proponents of the RET believed that Social Security benefits after full retirement age, in the absence of the RET, were more like annuity payments rather than a replacement for lost earnings.[100]

Congress has introduced legislation to fully repeal the RET in an effort to encourage employment at older ages. The most recent bill introduced is the

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[91] Jeffrey B Liebman and Erzo FP Luttmer, *Would People Behave Differently If They Better Understood Social Security? Evidence From a Field Experiment*, NBER WP 17287 (August 2011): 23.
[92] Liebman and Luttmer, *Would People Behave Differently*, 23.
[93] Brown et al, *Framing the Social Security Earnings Test*, 4.
[94] Brown et al, *Framing the Social Security Earnings Test*, 4.
[95] DeWitt, "Special Study #7;" Myers, "Basis and Background of the RET," 14.
[96] DeWitt, "Special Study #7."
[97] DeWitt, "Special Study #7."
[98] DeWitt, "Special Study #7;" CRS, *Social Security RET*, 15.
[99] CRS, *Social Security RET*, 14.
[100] DeWitt, "Special Study #7."

Senior Citizens' Freedom to Work Act of 2023.[101] Lawmakers have introduced similar versions of this legislation in previous Congresses.[102] In addition, during the COVID-19 pandemic, lawmakers introduced a bill that would exempt healthcare workers and first responders from the RET to encourage retired workers in these fields to return to work and a bill that would temporarily increase the RET earnings level.[103]

SSA's OCACT estimates that eliminating the RET for all beneficiaries under FRA would slightly improve the program's long-term financial outlook. A repeal implemented beginning in January 2025 would reduce the trust funds' long-term (75-year) funding shortfall from –3.42 to –3.40 percent of 75-year payroll, with the funding shortfall in 2100 reduced from –4.25 percent to –4.13 percent of payroll.[104] The immediate effect of eliminating the RET would be increased costs. That is because benefit payments would, in the short term, be higher for those people who, under the RET, would have had their benefits reduced due to work or would have chosen not to start benefits to avoid the application of the RET.[105] However, in the long run, costs will be lower because the higher rate of early claiming would result in permanent reductions in benefits, which would more than offset the short-term increased costs.[106]

Repealing the RET would also likely result in administrative savings for SSA. An estimate by an SSA employee in 1999 found that administering the RET cost the agency between $150 and $230 million per year (adjusted to 2019 dollars).[107, 108] While dated, this estimate suggests that there would be some (not insignificant) administrative savings from eliminating the RET.

The Bipartisan Policy Center (BPC) has proposed eliminating the RET due to the confusion it creates for people, which could lead to suboptimal decisions

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[101] Senior Citizens' Freedom to Work Act of 2023, HR 5193, 118th Congress (introduced August 11, 2023).
[102] CRS, *Social Security RET*, 22.
[103] Health Care Worker and First Responder Social Security Beneficiaries Choice Act, HR 6428, 116th Congress (introduced April 3, 2020); To Increase the Exempt Amount Applicable for the Retirement Earnings Test for Months in 2020, and For Other Purposes, HR 6554, 116th Congress (introduced April 17, 2020).
[104] SSA, "Summary Measures and Graphs: Proposed Provision B7.11," last accessed October 5, 2023.
[105] Goss to Walorski, SSA OCACT, 1.
[106] Goss to Walorski, SSA OCACT, 1.
[107] Bipartisan Policy Center, *How to Help Americans Claim Social Security at the Right Age*, August 2020: 34.
[108] In fiscal year 2019, SSA's administrative funding was $12.9 billion. SSA, *Fiscal Year 2019 Operating Plan*, November 14, 2018: 1.

around work and retirement.[109] However, since repealing the RET could encourage earlier benefit claiming and could increase the share of older adults living near the poverty line (discussed in more detail in the next section), they recommend pairing its repeal with other recommendations to encourage people to delay claiming.[110] If Congress does not repeal the RET, the BPC recommends that SSA better educate the public about its impact on retirement benefits. They suggest rebranding it as "Temporary Benefit Withholding" to emphasize that benefits withheld due to work lead to a higher monthly benefit amount after FRA.[111]

Historically, there has been some opposition to further repeal of the RET and some support for restoring it for all ages.[112] This opposition is premised upon perspectives that repealing the RET goes against the original purpose of Social Security to provide benefits for those who have retired.[113] In addition, because repealing the RET increases costs in the short run, some have also favored incremental changes, such as raising the earnings threshold, rather than full repeal for certain age groups.[114] There has also been concern that repealing the RET would inadvertently increase poverty rates, as discussed in the next section.[115]

Implications of RET Removal

Some studies explore the effects of repealing the RET on workers' labor market behavior, earnings, and their timing of claiming retirement benefits. As mentioned above, in 2000, the RET was repealed for those above FRA. Studies have examined the impact of this change on the behavior of those above FRA.

Past literature finds mixed effects of RET repeal on labor force participation. One study of the repeal of the RET for those above FRA finds no significant

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[109] Bipartisan Policy Center, *How to Help Americans*, 34.
[110] Bipartisan Policy Center, *How to Help Americans*, 35.
[111] Bipartisan Policy Center, *How to Help Americans*, 35.
[112] *Social Security Earnings Test: Hearing Before the Senate Finance Committee*, 103rd Congress (May 24, 1994) (Statement by Robert M Ball, Commissioner of Social Security): 33.
[113] *Social Security Earnings Test*, 33.
[114] *Social Security Earnings Test: Hearing Before the Senate Finance Committee*, 103rd Congress (May 24, 1994) (Statement by Shirley S Chater, Commissioner of Social Security): 37.
[115] Michael A Anzick and David A Weaver, "The Impact of Repealing the Retirement Earnings Test on Rates of Poverty," *Social Security Bulletin* 63, no. 2 (2000): 3; Jonathan Gruber and Peter Orszag, "Does the Social Security Earnings Test Affect Labor Supply and Benefits Receipt?," *National Tax Journal* 56, no. 4 (December 2003): 771.

change in employment rates.[116] Another similar study finds that the labor force participation rate of those ages 65 to 69 increased by 0.8 to 2.0 percentage points following the RET repeal, continuing a trend in increasing labor force participation already underway.[117] A more recent study suggests that the labor force participation rate is more sensitive to the RET than previously thought, finding that eliminating the RET would increase employment rates of those ages 63 to 64 by 2.5 percent (1.4 percentage points).[118] Although there is mixed evidence of whether eliminating the RET would cause more people to reenter the workforce, one study finds that repealing the RET for those above FRA leads to increased hours worked among those already working.[119] One study of men ages 62 to 64 who claimed benefits early finds that increases in the minimum wage led to a decline in work, suggesting that the RET affects the work decisions of working beneficiaries under FRA.[120] However, being unable to choose one's work hours may limit this effect for some workers.[121]

Studies also find that removing the RET would increase earnings. One study finds that eliminating the RET would increase earnings by almost ten percent.[122] Another study finds that working men increase their earnings when they are no longer subject to the RET.[123] Studies of removing the RET above FRA find a significant increase in earnings for workers with high earnings but no significant increase for lower-earning workers below the threshold amount.[124] Eliminating the RET would have a larger effect on higher-income beneficiaries and generally would not affect lower-income beneficiaries.[125] This

[116] Jae G Song, "Evaluating the Initial Impact of Eliminating the Retirement Earnings Test," *Social Security Bulletin* 65, no. 1 (2003/2004).
[117] Jae G Song and Joyce Manchester, "How Have People Responded to Changes in the Retirement Earnings Test in 2000?", *Social Security Bulletin* 67, no. 1 (2007).
[118] Alexander M Gelber, Damon Jones, Daniel W Sacks, and Jae Song, "Using Non-Linear Budget Sets to Estimate Extensive Margin Responses: Method and Evidence from the Social Security Earnings Test," *American Economic Journal: Applied Economics* 113, no. 4 (October 2021): 152.
[119] Gary V Engelhardt and Anil Kumar, *The Repeal of the Retirement Earnings Test and the Labor Supply of Older Men*, CRR at Boston College WP 2007-1 (May 1, 2007): 2.
[120] Gary V Engelhardt, *The Minimum Wage and Incentives for Full-Time Work Under the Social Security Retirement Earnings Test*, CRR at Boston College WP 2018-13 (October 31, 2018): 2.
[121] Engelhardt, *The Minimum Wage and Incentives*, 2.
[122] Gelber et al, "Using Non-Linear Budget Sets," 189.
[123] Steven J Haider and David S Loughran, "The Effect of the Social Security Earnings Test on Male Labor Supply: New Evidence from Survey and Administrative Data," *Journal of Human Resources* 43, no. 1 (2008): 59.
[124] Song, "Evaluating the Initial Impact;" Song and Manchester, "How Have People Responded?"
[125] Anya Olsen and Kathleen Romig, "Modeling Behavioral Responses to Eliminating the Retirement Earnings Test," *Social Security Bulletin* 73, no. 1 (2013).

is because lower-income beneficiaries are less likely to have earnings above the RET threshold.[126]

One effect of repealing the RET is to increase the early claiming of benefits among potentially affected beneficiaries.[127] The elimination of the RET for those above FRA increased the pace of applications for benefits.[128] Estimates of the effect of RET repeal on those aged below FRA also find that repeal would increase early claiming.[129]

Early benefit claiming has implications for monthly and lifetime benefits because of the permanent reduction in benefits from claiming before FRA. The initial increase in benefits received before FRA from eliminating the RET would eventually be reversed due to the permanent reduction from early claiming.[130] One study finds that RET repeal would not significantly change lifetime benefits and would not change the overall poverty rate.[131] However, other studies raise concerns that early claiming could lead to reduced living standards at older ages.[132] One study finds that the RET repeal for those above FRA increased the likelihood of having very low incomes among women in their mid-70s or older.[133] Women who previously may have delayed claiming past FRA due to the RET could now claim earlier, leading to reduced benefits. At these older ages, the reduced benefits from claiming earlier outweighed the higher income earned earlier.[134] Claiming benefits before FRA can be particularly disadvantageous for widow(er)s, who could face higher rates of poverty in the future.[135]

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[126] Olsen and Romig, "Modeling Behavioral Responses."
[127] Caroline E Ratcliffe, Jillian Berk, Kevin Perese, and Eric J Toder, *Impact of the Social Security Retirement Earnings Test on 62-64 Year-Olds*, AARP 2003-15 (December 2003): ii; Song, "Evaluating the Initial Impact;" Song and Manchester, "How Have People Responded?;" Gruber and Orszag, "Does the Social Security Earnings Test Affect Labor Supply and Benefits Receipt?," 755; Olsen and Romig, "Modeling Behavioral Responses."
[128] Song, "Evaluating the Initial Impact;" Song and Manchester, "How Have People Responded?"
[129] Ratcliffe et al, *Impact of the Social Security RET*, ii; Olsen and Romig, "Modeling Behavioral Responses."
[130] Alan L Gustman and Thomas L Steinmeier, *The Social Security Retirement Earnings Test, Retirement and Benefit Claiming*, NBER WP 10905 (November 2004): 21.
[131] Olsen and Romig, "Modeling Behavioral Responses."
[132] Anzick and Weaver, "The Impact of Repealing the RET," 3; Gruber and Orszag, "Does the Social Security Earnings Test Affect Labor Supply and Benefits Receipt?," 771.
[133] Theodore Figinski and David Neumark, "Does Eliminating the Earnings Test Increase the Incidence of Low Income Among Older Women?," *Research on Aging* 40, no. 1 (2018): 27.
[134] Figinski and Neumark, "Does Eliminating the Earnings Test Increase the Incidence of Low Income Among Older Women?," 48.
[135] Anzick and Weaver, "The Impact of Repealing the RET," 8.

Although many studies looking at the effect of the RET on labor supply focus on men, several examine the effect on women. One study looking at the effects on women of repealing the RET for those above FRA finds that the labor force participation of married women fell while that of single, divorced, separated, and widowed women increased.[136] Younger cohorts of women and women with higher levels of education were more likely to be in the labor force.[137] Other studies find that women's labor supply decisions appear more responsive to the RET than men's.[138]

Methods

To highlight the relevance of the RET for current and future beneficiaries, we use HRS data to examine work and retirement patterns for a cohort of baby boomers. We describe the retirement trajectories of this cohort, the characteristics associated with returning to work before permanently exiting the workforce, and the timing of receipt of Social Security retirement income relative to return to work. Our goal is to provide descriptive information on a more recent cohort of older adults to provide context for the decisions regarding work and benefits that may be affected by the RET. We use data from the RAND HRS Longitudinal File 2018 public use dataset and the 1992-2018 RAND HRS public use Fat Files.[139, 140]

Much of the earlier literature on retirement trajectories uses the original HRS cohort, born from 1931 to 1941, and their spouses. We add to this literature by looking at two later cohorts of the baby boom generation: early baby boomers (EBB) born from 1948 to 1953, first interviewed in 2004, and mid-baby boomers (MBB) born from 1954 to 1959, first interviewed in 2010. HRS interviews are conducted every two years (called "survey waves"). We follow both cohorts through 2018. Not all of the sample had reached FRA by 2018, especially for the MBB cohort.

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[136] Dale S Bremmer and Randy Kesselring, "How Social Security's Earning Test, Age and Education Affect Female Labor Supply," *Atlantic Economic Journal* 46, no. 4 (2018): 357.
[137] Bremmer and Kesselring, "How Social Security's Earning Test, Age and Education Affect Female Labor Supply," 359.
[138] Gruber and Orszag, "Does the Social Security Earnings Test Affect Labor Supply and Benefits Receipt?," 757; Alexander M Gelber, Damon Jones, Daniel W Sacks, and Jae Song, *The Employment Effects of the Social Security Earnings Test*, NBER WP 26696 (January 2020): 26.
[139] The National Institute on Aging (NIA) sponsors the HRS and the University of Michigan conducts the survey. With funding and support from NIA and SSA, the RAND Center for the Study of Aging creates user-friendly HRS data products for researchers. RAND, "RAND HRS Data Products," last accessed October 5, 2023.
[140] The 2018 public use data were the most recent available at the time of the analysis.

We restrict the analysis to people who responded in the first two waves (2004 and 2006 for the EBB cohort and 2010 and 2012 for the MBB cohort), were working for pay in the first wave, and did not consider themselves retired in the first wave.[141] We then look at a person's labor force status in each subsequent wave to determine whether they were working full- or part-time or considered themselves fully or partially retired. Please see Appendix A for a more detailed explanation of the methodology.

Findings

Our findings are broadly consistent with studies of the original HRS cohort.[142] Table 1a shows the percentage of the EBB and MBB cohorts who reported that they had retired by 2018. Table 1b shows the percentage who returned to work after self-reporting retirement among those who had retired.

Table 1a. Percentage of the EBB and MBB Samples Who Retired by 2018

Cohort	EBB Sample	MBB Sample
Retired (%)	65.3	27.1
Not retired (%)	17.9	49.9
Unknown (%)	16.8	23.1

Table 1b. Percentage of the EBB and MBB Samples Who Returned to Work After Self-Reporting Retirement, Among Those Who Retired

Cohort	EBB Sample	MBB Sample
Returned to work (%)	13.8	9.1
Did not return to work (%)	69.3	76.9
Unknown (%)	16.9	14.0

Source: Health and Retirement Study, RAND HRS Longitudinal File 2018 public use dataset. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI, 2022.
Notes: Unweighted sample size = 2,165 for EBB sample; 2,871 for MBB sample. Weighted sample size = 14,718,499 for EBB sample; 16,355,657 for MBB sample. We base retirement status on self-reports of retirement. We define return to work as having full- or part-time work after reporting full retirement or having full-time work after reporting partial retirement.

[141] We use this methodology to be consistent with Maestas, *Back to Work*, 33. We also build on this by conducting additional analyses including those who were not working in the first wave, had prior work experience, and did not consider themselves retired in the first wave. The results including this additional group are similar to those presented in the paper. Please see Appendix A for more detail.
[142] Maestas, *Back to Work*, 3; Pleau, "Gender Differences in Postretirement Employment," 294.

Almost two-thirds of the EBB cohort have retired by 2018. Only 27 percent of the MBB cohort have self-reported that they have retired by 2018, likely because this cohort's follow-up period is shorter.[143] Around 14 percent of the EBB cohort who self-reported retirement later returned to work, compared to 9 percent of the MBB cohort. A study using a similar methodology finds that 16 percent of the original HRS cohort who had self-reported retirement later returned to work.[144]

Because of the smaller percentage of people in the MBB cohort who reported that they had retired and the even smaller number who later returned to work (leading to small sample sizes), we focus on the EBB cohort for the remainder of this section. As more time passes, this analysis could be extended to examine that cohort in greater depth.

We look at the sociodemographic characteristics of the 65 percent of the EBB cohort who reported that they had retired by 2018. Most of this cohort is non-Hispanic white and married, and just over half are female. About a third have a college degree or higher, and most (83 percent) report that they are in excellent, very good, or good health at the beginning of the period (see Appendix Figure B.1).

We also look at the job and retirement characteristics of the EBB cohort who retired by 2018. Most of the cohort (84 percent) worked full-time in the first wave, and almost 40 percent worked in management, business, science, or arts occupations. About 13 percent were self-employed. In the first wave in which these people reported being retired, 70 percent described their retirement as full, and 30 percent described it as partial (see Appendix Figure B.2).

Over a quarter of the sample were under age 60 when they first reported being retired. About 15 percent were aged 60 or 61, 23 percent were 62 or 63, 18 percent were 64 or 65, and 18 percent were 66 or older. The FRA for the EBB cohort is 66. A large portion of the cohort was thus under FRA when they first reported being fully or partially retired, meaning that these people could potentially be affected by the RET if they claim their SSA retirement benefits and then return to work.

[143] When followed up for the same amount of time as the MBB cohort, 34 percent of the EBB cohort had self-reported retirement.
[144] Maestas, *Back to Work*, Table 2.

The survey asks people how worried they are about three things that may concern people about retirement: not having enough income to get by, illness or disability, and not doing anything productive or useful. These questions were asked in the first wave when everyone in the sample was working and not yet retired. About 72 percent of the cohort who went on to retire by 2018 said they worried a lot or somewhat about not having enough income to get by in retirement. Over two-thirds were worried about illness or disability during retirement, and 50 percent were worried about not doing anything productive or useful.

The characteristics of the EBB cohort are similar to those of the original HRS cohort used for earlier studies, with a few exceptions.[145] The EBB cohort is better educated and more likely to work in management, business, science, and arts occupations than the earlier cohort. A higher percentage of the EBB cohort reported being worried about not having enough income to get by in retirement.

Over half of the sample follows a nontraditional retirement path involving either partial retirement or a return to work before permanent exit from the labor force. This finding is consistent with earlier literature on the original HRS cohort.[146] The remainder of this section focuses on people who follow a nontraditional pathway into retirement, involving full- or part-time work (or partial retirement) after reporting full retirement or having full-time work after reporting partial retirement.

Table 2 shows the percentage of those who reported they had retired and then returned to work after retiring overall and by age, by time observed after the person initially reported they had retired. Appendix Tables B.1 and B.2 shows rates of return to work by additional characteristics. Overall, the percentage of those who returned to work after reporting they had retired ranges from 14 percent for the full sample to 23 percent for those observed for eight or more years following retirement.

[145] Maestas, *Back to Work*, Appendix Table 1.
[146] Maestas, *Back to Work*, 5; Pleau, "Gender Differences in Postretirement Employment," 294.

Table 2. Cumulative Percentage Returning to Work After Retiring by 2018 Among the Retired EBB Cohort Members, Overall and by Age at First Self-Reported Retirement

Post-Retirement Observation Period	0+ Years	2+ Years	4+ Years	6+ Years	8+ Years
Unweighted sample size	*1,419*	*1,144*	*837*	*582*	*356*
Weighted sample size	*9,614,865*	*7,669,538*	*5,661,541*	*3,911,735*	*2,447,626*
Returned to work after retiring (%)	13.8	17.3	19.5	21.7	23.1
Aged less than 55 (%)	35.3	35.3	36.2	32.7	34.1
Age 55-59 (%)	22.2	22.9	22.9	24.3	24.2
Age 60-61 (%)	14.4*	15.7*	17.1*	16.8	14.8
Age 62-63 (%)	12.3*	13.5*	15.4*	18.4	18.1
Age 64-65 (%)	8.4*	12.9*	17.0*	19.1	0.0
Age 66-70 (%)	6.1*	14.0*	11.4*	0.0*	0.0

Source: Health and Retirement Study, RAND HRS Longitudinal File 2018 public use dataset. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI, 2022.
Notes: * = statistically significant at the five percent level. We define return to work as having full- or part-time work after reporting full retirement or having full-time work after reporting partial retirement.

Very few differences across characteristics are statistically significant at the five percent level. Those who reported they retired at older ages were significantly less likely to return to work. Those in worse health at the start of the period were significantly less likely to return to work than those in excellent health. Those in occupations that tend to involve more physical labor, such as production, transportation, material moving, natural resources, construction, and maintenance, were less likely than those in management, business, science, and arts occupations to return to work. These differences by occupation were not significant at every observation period. These findings are consistent with earlier studies.[147]

We examine the percentage who returned to work after self-reported retirement by the three concerns mentioned earlier. Those who reported in the first wave that they were worried a lot or somewhat about not doing anything productive or useful during retirement were more likely to return to work than those who worried only a little or not at all (see Appendix Table B.3). Those who worried about income adequacy during retirement were not as likely to return to work

[147] Cahill, Giandrea, and Quinn, "Reentering the Labor Force," 41; Pleau, "Gender Differences in Postretirement Employment," 294; Maestas, *Back to Work*, 3; Warner, Hayward, and Hardy, "The Retirement Life Course," 9.

as those who did not report being worried. Although these differences are not significant, they are consistent with earlier findings suggesting that people were likely to have been too pessimistic about their financial situation in retirement and that those who return to work may do so because of personal preference.[148]

We also look at the timing of receipt of Social Security retirement income relative to returning to work after reporting they had retired. Half of those who returned to work reported receiving Social Security retirement income in or before the survey wave where they returned to work. Of those receiving retirement benefits before returning to work, 40 percent were below FRA when they returned to work.[149] This is a large proportion of people working and receiving retirement benefits while below FRA. These people may be affected by SSA's RET if their earnings are above the threshold. People below FRA who do not work are also affected by the RET because their choice not to work may be based on an incorrect understanding of the RET. Additionally, those under FRA who work and do not yet claim benefits need to understand how the RET works. Older adults taking these varied retirement pathways need to understand how their choices regarding work interact with their SSA retirement benefits.

Conclusion and Recommendations

Our findings for the EBB cohort align with those of the earlier literature that many people are taking varied paths out of the labor force. Almost one-quarter of those observed for eight or more years after reporting that they had retired returned to the workforce. Return to work is more common for those who left at younger ages. Many people are returning to work at ages below FRA, and some are already claiming Social Security retirement benefits. Past studies show that sizable fractions of potential claimants and beneficiaries do not know about or fully understand the RET.[150] Many who know about the RET do not know that monthly benefits will be actuarially adjusted at FRA to account for months when benefits were withheld or reduced under the RET.

While SSA's materials on the RET provide information for workers and their families seeking to understand how earnings affect retirement benefits, not all

[148] Maestas, *Back to Work*, 29.
[149] FRA is 66 for everyone in the EBB cohort.
[150] Weber et al, *Communicating the Implications*, 7; Brown, "*The Impact of Claiming Age*," 4; Brown et al, *Framing the Social Security Earnings Test*, 4.

these public resources clearly explain key features of the RET, and not all the information is conveyed consistently across resources. With additional research, SSA could improve these materials to communicate the implications of work and retirement more clearly to claimants and beneficiaries. SSA could ensure that language about the RET is consistent across web pages and resources and addresses questions unique to different groups. It could also review the resources to ensure they are written in plain language and that all materials cover the key features of the RET. In addition, some helpful tools, such as the RET calculator and program explainer visualization, are not consistently included in SSA's RET materials or provided to workers and beneficiaries. SSA could review how these tools and web pages interact to ensure that these materials are consistent and easily accessible.

The difference in language used for the web page explaining how work affects benefits and the RET brochure illustrates these discrepancies. The web page focuses on reductions from benefits for earnings received when under FRA, not the subsequent increase in benefits.[151] A brief section explains that when a beneficiary reaches FRA, SSA "will recalculate your benefit amount to give you credit for the months we reduced or withheld benefits due to your excess earnings." The wording of this sentence could be unclear to beneficiaries. The brochure explains this aspect of the RET using different language: "The amount that your benefits are reduced, however, isn't truly lost. Your benefit will increase at your full retirement age to account for benefits withheld due to earlier earnings."[152] SSA could test simpler language to ensure the RET is accurately explained. It could then consistently use this easily understandable language across all its public-facing RET materials. It could also urge the public to think about the impact of the timing of initial benefit collection on the benefit amount for the remainder of their lifetimes.

The program explainer with the visualization described earlier provides a useful illustration for people seeking to understand how the RET works, but it is not clear how easy it is for workers and their families or beneficiaries to find this web page.[153] These program explainers are part of SSA's Research, Statistics & Policy Analysis page, not its web pages designed for claimants. One study described earlier found that a similar chart improved understanding of the RET.[154] Including this visualization in other RET materials, such as the web

[151] SSA, "Receiving Benefits While Working."
[152] SSA, *How Work Affects Your Benefits*, 1.
[153] SSA, "Program Explainers: RET."
[154] Weber et al, *Communicating the Implications*, 45.

page on receiving benefits while working, the brochure, and the calculator page, could be helpful for beneficiaries.

SSA could also improve the RET calculator and make it more accessible. It is unclear whether users should enter their monthly or annual earnings in "Your estimated earnings." Once a user submits the calculation request, the web page provides links to other resources, such as the brochure. SSA could provide these links more clearly upfront and add one for the program explainer.

SSA also provides a retirement calculator through *my* Social Security, which allows users to input their retirement age, average annual salary, and spousal benefit information and view their retirement benefit amount at the early retirement age, FRA, and age 70, as well as the age input by the user. This calculator does not account for work while receiving retirement benefits that could lead to a RET adjustment. An expandable section titled "Learn more about retirement estimates" mentions other provisions that could affect benefits but does not include the RET. There is a "Before you decide to retire…" link that says earnings limits apply for those who retire below FRA (but does not mention the RET by name) and links to other SSA benefit calculators, including the RET calculator. It could be helpful to provide information about the RET more prominently on *my* Social Security, possibly by mentioning it with the other provisions in the "Learn more about retirement estimates" and including direct links to the brochure and retirement calculator.

In addition to ensuring that these materials are easily accessible to beneficiaries, workers, and their families through the website, SSA should ensure that field office staff are aware of these materials and tools and provide them to beneficiaries when relevant. Although field office technicians are supposed to explain the RET when it applies, this does not always happen consistently across field offices.[155] Field office staff may not be aware of all the relevant tools and resources, such as the RET calculator and the visualization. SSA should ensure that field office staff know about these resources and can easily provide them to beneficiaries. SSA could also examine whether training for field office staff regarding how to talk to beneficiaries about the RET is adequate. Furthermore, SSA may wish to consult with field office staff as they revise these resources and training to ensure that they fit the needs of staff and beneficiaries. SSA should also ensure that people applying online have access to information on the RET while completing the online application.

[155] GAO, *Improvements to Claims Process*, 29; SSAB discussion with NCSSMA.

While an important step, improving communications may not be sufficient for workers and their families to fully understand the implications of the RET. People need information when the RET is relevant to them, and those who follow nontraditional retirement paths may not receive the information when needed. Increasing exposure to information about the RET at various points in workers' careers, especially as they approach retirement, could help improve awareness of its potential applicability.

Beyond revising the RET resources, SSA may want to keep these varied retirement paths in mind as it proceeds with new initiatives targeted at people nearing retirement. SSA is collaborating with other agencies on a customer experience project on approaching retirement.[156] SSA, the Department of Health and Human Services, and the Consumer Financial Protection Bureau are working on building and testing an information and outreach model to help people make informed retirement and healthcare decisions through connections to community-based resources.[157] The project will raise awareness about local resources and reduce burdens for people seeking resources and support in underserved communities.

Given the varied paths older adults take out of the workforce, people should have access to reliable information on Social Security retirement benefits and policies such as the RET that affect work and benefits to make informed choices. As the customer experience project described above progresses, it will be important for SSA to ensure that people can easily access and understand information on how earnings affect retirement benefits.

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[156] Performance.gov, "Customer Experience Projects," last accessed October 5, 2023.
[157] Performance.gov, "Approaching Retirement: Increasing Access to Decision-Making Support for Older Adults," last accessed October 5, 2023.

Appendices

Appendix A: HRS Methodology

This appendix describes the methodology for the HRS data analysis. We use a similar method to a 2007 study.[158] We start by identifying the EBB and MBB cohorts. Members of the HRS EBB cohort and their spouses were first interviewed in 2004, and members of the MBB cohort and their spouses were first interviewed in 2010. However, because spouses may have been born in a year outside the sample cohort, we identify cohorts based on birth year rather than the HRS sample. This decision means that some members of each cohort were first interviewed before or after 2004 for the EBB cohort or 2010 for the MBB cohort. We restrict the analysis to people who responded in 2004 and 2006 for the EBB cohort and 2010 and 2012 for the MBB cohort who were working for pay and did not consider themselves retired in the first interview wave.

We define retirement patterns based on a person's self-reported labor force status in each wave. Everyone is working at the start of the period due to how the sample was defined. We then determine the fraction that had retired based on the first wave in which someone identified as fully or partially retired. We define returning to work as having full- or part-time work after reporting full retirement or having full-time work after reporting partial retirement.

We define these trajectories by looking at transitions across survey waves. If someone reported being retired in two consecutive waves but had a work spell during the intervening year, we do not count this spell as it is not observed. A prior study finds that only five percent of retirees reentered the labor force and exited between waves and that half of these spells lasted less than six months.[159] Since earnings were very low for most of these spells, we focus on retirement and work transitions across waves.[160]

Large proportions of the sample are missing data in one or more waves. About 30 percent of the EBB and MBB cohort did not respond to at least one wave of the survey for a reason other than death. We attempted to use other survey responses in waves before and after the missing wave to fill in missing data on

[158] Maestas, *Back to Work*, 33.
[159] Maestas, *Back to Work*, 33.
[160] Maestas, *Back to Work*, 34.

labor force status. We developed the following rules to fill in missing data when there are one or two missing waves between two non-missing waves (referred to as the previous and subsequent waves):

- If someone is working full-time in both the previous and subsequent wave and they report in the subsequent wave that they have been at their job for more than two years (for one missing wave) or four years (for two missing waves) and do not report a retirement date in the subsequent wave, we assume they were working full-time during the missing wave(s).
- If someone is working part-time in both the previous and subsequent wave and they report in the subsequent wave that they have been at their job for more than two years (for one missing wave) or four years (for two missing waves) and do not report a retirement date in the subsequent wave, we assume they were working part-time during the missing wave(s).
- If someone reported being fully retired in the subsequent wave and they reported that the year of the last job they worked was before the missing wave(s) and the year of retirement reported was before the missing wave(s), we assume they were fully retired in the missing wave(s).

We use this methodology in the tables presented in the report. For some analyses, we check to see whether these rules affect the results. The results for the EBB cohort are similar whether we use this filled-in data or not. Given this similarity, we present results using the method above in the main body of the report since this gives us slightly larger sample sizes.

The analysis presented in the paper includes only those working for pay who did not consider themselves retired in the first interview wave. The sample excludes those who reported that they were retired in the first interview wave and those who were not working in the first wave. We conduct an alternative analysis including those who were not working for pay in the first wave, had prior work experience, and did not consider themselves to be retired in the first wave. Including this additional group of people does not substantially change the results. The sample size including this group is 2,377 people instead of 2,165. Of this sample, 66.3 percent had retired by 2018, compared to 65.3 percent of the sample presented in the paper. Similar percentages of those who had retired later returned to work: 13.4 percent compared to 13.8 percent of the sample presented in the paper. The demographic characteristics of those

who had retired are similar across the two samples; however, when including those who were not working in the first wave, the sample has slightly lower levels of education and is in somewhat worse health.

Tables A.1a and A.1b show the percentage of those who reported they had retired who then returned to work after retiring for these two samples, by time observed after the person initially reported they had retired. The percentages returning to work are lower when including those not working for pay in the first wave. Since the results using the two samples are similar, we present results using the sample restricted to those working in the first wave in the paper, consistent with earlier literature on this subject.[161]

Table A.1a. Cumulative Percentage Returning to Work After Retiring by 2018 Among the Retired EBB Cohort Members, Including Only Those Working for Pay in First Wave

Post-Retirement Observation Period	0+ Years	2+ Years	4+ Years	6+ Years	8+ Years
Unweighted sample size	*1,419*	*1,144*	*837*	*582*	*356*
Weighted sample size	*9,614,865*	*7,669,538*	*5,661,541*	*3,911,735*	*2,447,626*
Returned to work after retiring (%)	13.8	17.3	19.5	21.7	23.1

Table A.1b. Cumulative Percentage Returning to Work After Retiring by 2018 Among the Retired EBB Cohort Members, Including Those Working for Pay in First Wave Plus Those Not Working for Pay Who Had Prior Work Experience

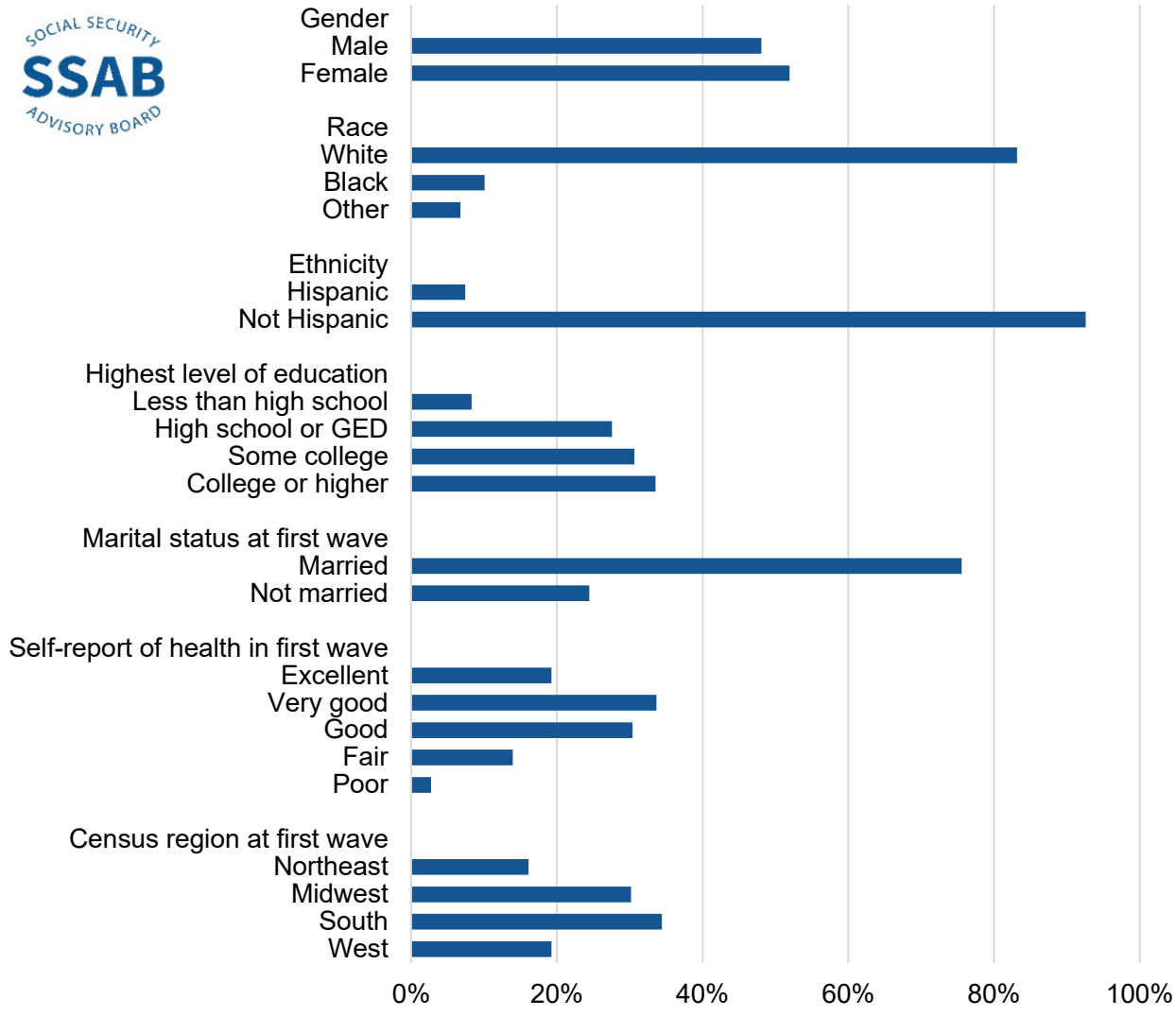
Post-Retirement Observation Period	0+ Years	2+ Years	4+ Years	6+ Years	8+ Years
Unweighted sample size	*1,581*	*1,285*	*954*	*671*	*418*
Weighted sample size	*10,677,821*	*8,608,875*	*6,441,897*	*4,517,970*	*2,882,388*
Returned to work after retiring (%)	13.4	16.6	18.6	20.5	22.2

Source: Health and Retirement Study, RAND HRS Longitudinal File 2018 public use dataset. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI, 2022.
Notes: We define return to work as having full- or part-time work after reporting full retirement or having full-time work after reporting partial retirement.

[161] Maestas, *Back to Work*, 33.

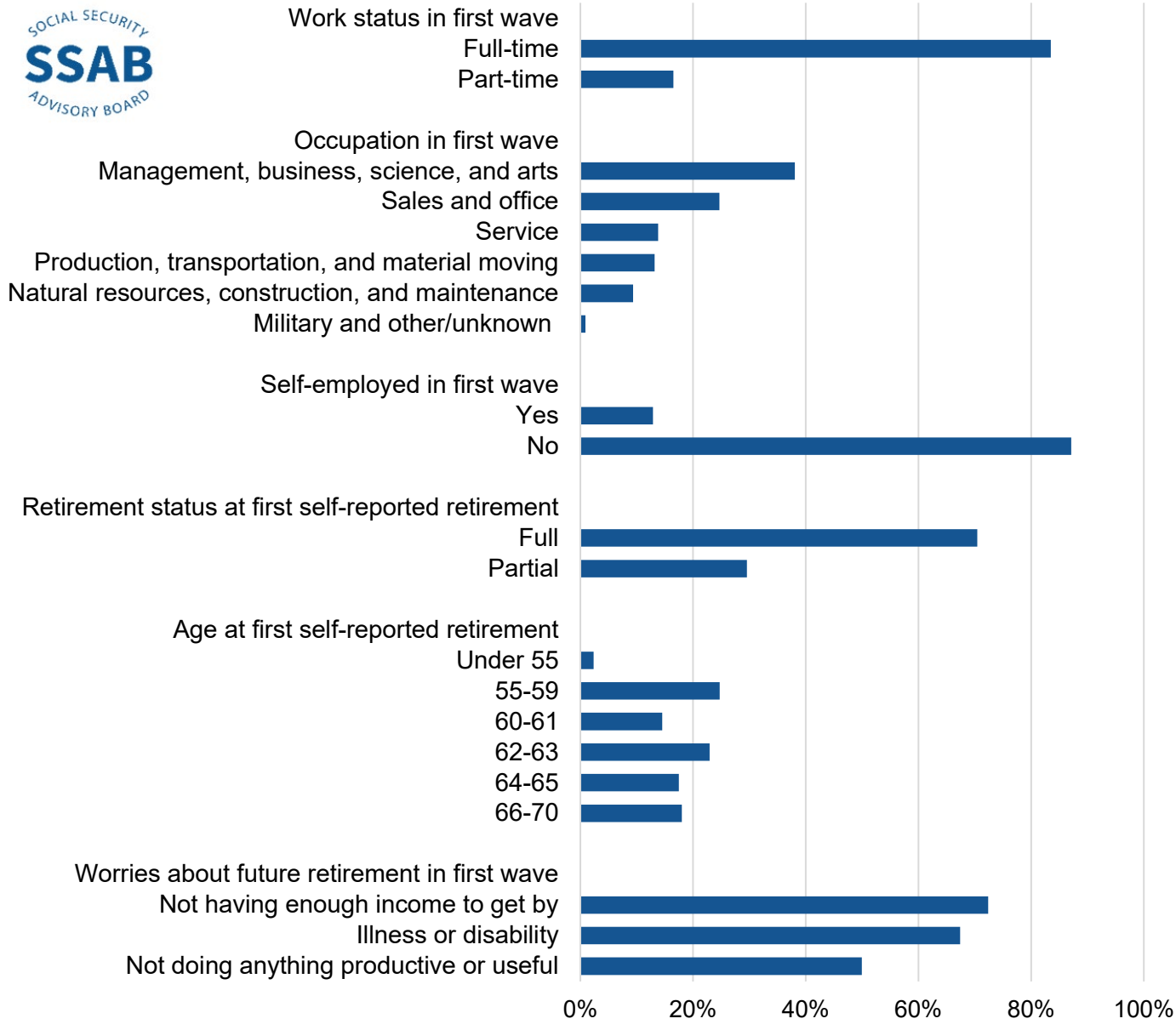
Appendix B: Additional EBB Tables and Figures

Figure B.1. Sociodemographic Characteristics of the EBB Cohort who Retired by 2018



Source: Health and Retirement Study, RAND HRS Longitudinal File 2018 public use dataset. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI, 2022.
Notes: Unweighted sample size = 1,419. Weighted sample size = 9,614,865. The number with missing data ranges from 0 to 3 observations.

Figure B.2. Job and Retirement Characteristics of the EBB Cohort who Retired by 2018



Source: Health and Retirement Study, RAND HRS Longitudinal File 2018 public use dataset and 1992-2018 RAND HRS public use Fat Files. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI, 2022.
Notes: Unweighted sample size = 1,419. Weighted sample size = 9,614,865. There is no missing data except for the three items about worries in retirement: 96 observations are missing these items.

Table B.1. Cumulative Percentage Returning to Work After Retiring by 2018 Among the Retired EBB Cohort Members, by Sociodemographic Characteristics

Post-Retirement Observation Period	0+ Years	2+ Years	4+ Years	6+ Years	8+ Years
Unweighted sample size	*1,419*	*1,144*	*837*	*582*	*356*
Weighted sample size	*9,614,865*	*7,669,538*	*5,661,541*	*3,911,735*	*2,447,626*
Returned to work after retiring (%)	13.8	17.3	19.5	21.7	23.1
Male	15.2	19.6	20.7	24.7	24.4
Female	12.5	15.3	18.5	19.4	21.9
White	13.2	16.8	18.8	21.6	22.6
Black	17.1	20.1	22.4	21.9	24.2
Other	15.9	18.5	23.9	22.7	26.3
Hispanic	14.9	17.1	18.6	21.2	20.4
Not Hispanic	13.7	17.3	19.6	21.8	23.3
Education: Less than high school	12.1	14.3	15.5	22.9	27.2
Education: High school or GED	12.5	14.9	16.4	19.5	22.7
Education: Some college	11.4	14.8	16.4	18.2	18.7
Education: College or higher	17.5	22.5	25.8	26.2	26.1
Married	14.0	17.6	19.9	22.2	22.4
Not married	12.7	15.7	17.9	20.2	25.0
Health: Excellent[1]	17.3	21.7	24.8	29.1	35.3
Health: Very good[1]	14.2	17.7	20.7	22.1	22.4
Health: Good[1]	12.8	16.7	19.1	21.0	22.4
Health: Fair or poor[1]	10.6	12.6*	13.0*	15.2*	13.8*
Region: Northeast[2]	14.4	18.5	21.8	20.2	23.0
Region: Midwest[2]	12.1	15.1	16.5	18.9	18.9
Region: South[2]	16.0	20.7	22.9	25.1	27.3
Region: West[2]	12.0	14.2	17.3	21.9	22.8
Income: First quintile[3]	14.1	17.3	18.9	20.2	17.8
Income: Second quintile[3]	12.3	14.6	17.2	20.6	21.4
Income: Third quintile[3]	12.8	16.3	17.9	17.1	16.2
Income: Fourth quintile[3]	12.3	15.8	19.1	21.7	27.6
Income: Fifth quintile[3]	17.8	23.4	25.2	29.2	29.9

[1] Self-report of health in first wave.
[2] Census region at first wave.
[3] Income in first wave.
Source: Health and Retirement Study, RAND HRS Longitudinal File 2018 public use dataset. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI, 2022.

Notes: * = statistically significant at the five percent level. We define return to work as having full- or part-time work after reporting full retirement or having full-time work after reporting partial retirement.

Table B.2. Cumulative Percentage Returning to Work After Retiring by 2018 Among the Retired EBB Cohort Members, by Job and Retirement Characteristics

Post-Retirement Observation Period	0+ Years	2+ Years	4+ Years	6+ Years	8+ Years
Unweighted sample size	*1,419*	*1,144*	*837*	*582*	*356*
Weighted sample size	*9,614,865*	*7,669,538*	*5,661,541*	*3,911,735*	*2,447,626*
Returned to work after retiring (%)	13.8	17.3	19.5	21.7	23.1
Worked full-time in first wave	14.1	17.7	20.5	22.7	23.9
Worked part-time in first wave	12.3	15.0	15.3	17.7	20.0
Occupation: Management[1, 2]	15.5	20.2	23.9	26.1	26.7
Occupation: Service[1]	12.6	15.7	16.7	18.5	22.9
Occupation: Sales and office[1]	12.8	16.1	17.0	18.2	24.0
Occupation: Natural resources[1, 3]	15.0	18.2	18.1	22.0	10.4*
Occupation: Production[1, 4]	9.7	11.5*	14.1*	17.2	16.1
Occupation: Military and other/unknown[1]	32.8	32.8	40.3	--	--
Self-employed in first wave	19.8	25.2	26.5	26.3	18.3
Not self-employed in first wave	12.9	16.1	18.4	20.9	24.0
Fully retired[5]	13.7	17.2	19.1	20.9	22.9
Partially retired[5]	14.0	17.6	20.4	23.3	23.2
Aged less than 55[6]	35.3	35.3	36.2	32.7	34.1
Age 55-59[6]	22.2	22.9	22.9	24.3	24.2
Age 60-61[6]	14.4*	15.7*	17.1*	16.8	14.8
Age 62-63[6]	12.3*	13.5*	15.4*	18.4	18.1
Age 64-65[6]	8.4*	12.9*	17.0*	19.1	0.0
Age 66-70[6]	6.1*	14.0*	11.4*	0.0*	0.0

[1] Occupation in first wave.
[2] Management, business, science, and arts.
[3] Natural resources, construction, and maintenance.
[4] Production, transportation, and material moving.
[5] Retirement status at first self-reported retirement.
[6] Age at first self-reported retirement.
Source: Health and Retirement Study, RAND HRS Longitudinal File 2018 public use dataset. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI, 2022.
Notes: -- = suppressed to avoid disclosing information about particular people. * = statistically significant at the five percent level. We define return to work as having full- or part-time work after reporting full retirement or having full-time work after reporting partial retirement.

Table B.3. Cumulative Percentage Returning to Work After Retiring by 2018 Among the Retired EBB Cohort Members, by Retirement Worries in the First Wave

Post-Retirement Observation Period	0+ Years	2+ Years	4+ Years	6+ Years	8+ Years
Worried about not doing anything productive or useful (%)	14.0	17.8	21.4	23.7	25.6
Not worried about not doing anything productive or useful (%)	13.6	16.8	18.5	20.2	21.8
Worried about illness or disability (%)	13.7	17.0	20.2	21.9	23.7
Not worried about illness or disability (%)	14.1	18.0	19.1	21.5	23.3
Worried about not having enough income to get by (%)	13.1	16.8	19.1	20.3	20.9
Not worried about having enough income to get by (%)	15.7	18.7	21.8	25.0	29.5

Source: Health and Retirement Study, RAND HRS Longitudinal File 2018 public use dataset and 1992-2018 RAND HRS public use Fat Files. Produced and distributed by the University of Michigan with funding from the National Institute on Aging (grant number NIA U01AG009740). Ann Arbor, MI, 2022.
Notes: None of the results are statistically significant at the five percent level. We define return to work as having full- or part-time work after reporting full retirement or having full-time work after reporting partial retirement. The questions on worries about retirement are asked in the first wave when everyone is still working.

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