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Social Security and Vulnerable Groups—Policy Options to Aid Widows

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SUMMARY

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Social Security and Vulnerable Groups—Policy Options to Aid Widows

As Congress actively considers Social Security reform options, one area of interest is Social Security policy levers to aid vulnerable groups—widows, low earners, caregivers, older beneficiaries, spouses, and never-married individuals. In the context of widows, researchers and policymakers have raised concerns about both benefit adequacy and benefit equity. In 2017, about 18% of all individuals aged 60 or older were widows; however, nearly 26% of individuals aged 60 or older living in poverty were widows.

Benefit adequacy concerns stem from the facts that the widow has outlived the spouse, may contend with a reduced monthly income after the spouse's death, may confront significant medical and long-term care expenses associated with the deceased spouse's end-of-life care, and is at risk of outliving retirement resources and incurring significant expenses for long-term care. The focus tends to be on widows (women) rather than widowers (men). In 2017, the poverty rate was 14.6% for widowed women aged 60 or older and 10.8% for widowed women aged 60 or older receiving Social Security benefits, compared with 10.5% and 7.7%, respectively, for widowed men aged 60 or older.

Benefit equity concerns stem from Social Security program rules that provide higher benefits to one-earner couples than to two-earner couples with identical lifetime earnings and Social Security payroll tax contributions. More equitable program rules, reflecting changes in family structure and work patterns of husbands and wives, would provide equal benefits for equal contributions.

Several approaches to modifying Social Security benefits to aid widows are available. One approach is to adjust the Social Security program policy levers that most directly affect widows. These levers include the widow(er)'s limit, the provision of credits for delayed claiming, the parameters around benefits for disabled widows, and the lump-sum death benefit. Another approach is to develop an alternative widow benefit, envisioned as a percentage of the couple's combined Social Security benefits while both were alive, with the widow receiving the higher of this alternative benefit amount and the current-law widow benefit. Finally, proposals that would aid other vulnerable groups—enhanced benefits for low earners, reduced marriage requirements for divorced spouse and divorced survivor benefits, increased benefits for older beneficiaries, caregiver credits, and paid family leave—also would aid widows who are members of those targeted groups.

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Introduction

As Congress continues to consider reforms to secure the Social Security program's solvency, a related discussion has emerged around targeted reforms for vulnerable groups—widows, low earners, caregivers, older beneficiaries, spouses, and never-married individuals—who may deserve targeted benefit enhancements as part of a broader Social Security reform package.[1] This report focuses on widows and Social Security policy levers to aid them.[2]

Researchers and policymakers have commented on both benefit adequacy and benefit equity in the context of Social Security benefits for widows. Concerns about the adequacy of Social Security benefits for widows stem from the fact that the widow has outlived the spouse and likely contends with a reduced monthly income after the spouse's death. The widow also may confront significant medical or long-term care expenses associated with the deceased spouse's end-of-life care. In addition, on average, women outlive men and today's widows face increased life expectancy relative to earlier birth cohorts, thus increasing the possibility of outliving their retirement resources and incurring significant expenses for their own long-term care.

Benefit equity concerns stem from Social Security program rules that provide higher benefits to one-earner couples than to two-earner couples with identical lifetime earnings and payroll tax contributions. Social Security was designed in the era of a traditional family with a working husband and a wife devoted to home production. Marital patterns, gender roles, and work patterns have changed substantially since the 1930s. Benefit equity would be improved by providing equal benefits for equal contributions.

This report seeks to

- discuss current-law Social Security provisions pertaining to widows;
- describe the characteristics of Social Security widow beneficiaries;
- illustrate the benefit adequacy and benefit equity concerns leading to a perceived need for targeted benefit enhancements for widows;
- explain policy levers that may be modified to aid widows;
- outline legislative proposals and proposals in the literature concerning widows, highlighting their projected effects on program solvency and estimated distributional effects; and
- identify other Social Security reform options that would indirectly benefit widows.

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[1] U.S. Congress, House Committee on Ways and Means, Subcommittee on Social Security, *Protecting and Improving Social Security: Benefit Enhancements*, 116th Cong., 1st sess., March 13, 2019, https://waysandmeans.house.gov/legislation/hearings/protecting-and-improving-social-security-benefit-enhancements-0. U.S. Congress, House Committee on Ways and Means, *Legislative Hearing on the Social Security 2100 Act*, 116th Cong., 1st sess., July 25, 2019, https://waysandmeans.house.gov/legislation/hearings/legislative-hearing-social-security-2100-act-0. U.S. Congress, Senate Special Committee on Aging, *Financial Security in Retirement: Innovations and Best Practices to Promote Savings*, 116th Cong., 1st sess., February 6, 2019, https://www.aging.senate.gov/hearings/financial-security-in-retirement-innovations-and-best-practices-to-promote-savings.

[2] Most surviving spouses are women (widows). Over 96% of Social Security widow(er) beneficiaries are women (Social Security Administration, *Annual Statistical Supplement, 2019*, Table 5.A1, https://www.ssa.gov/policy/docs/statcomps/supplement/2019/5a.html#table5.a1). For that reason, and for ease of exposition, this report uses the term *widow* to refer to a surviving spouse of either gender, and the term *deceased spouse* to refer to the spouse who has died. The tables use the term *widow(er)* to refer to both widows (female) and widowers (male).

Social Security Widow Benefits[3]

Overview

Social Security provides monthly cash benefits to retired or disabled workers and their family members and to the family members of deceased workers. Workers become eligible for Social Security benefits by working in Social Security covered employment. A worker generally needs 40 earnings credits (10 years of covered employment) to obtain insured status and become eligible for a Social Security retired-worker benefit. Employers and employees each contribute payroll taxes of 6.2% of covered earnings, up to an annual limit on taxable earnings ($132,900 in 2019). Monthly benefits are based on the worker's career-average earnings in covered employment. Full retired-worker benefits are available at the full retirement age (FRA), currently age 66 and gradually increasing to age 67 in 2022 for individuals born in 1960 or later. Reduced retired-worker benefits are available beginning at age 62. Workers who claim benefits after the FRA are eligible for delayed retirement credits up to age 70.

The spouse of a retired worker may receive a spousal benefit of up to 50% of the retired worker's basic benefit amount, called the *primary insurance amount* (PIA). The widow of a deceased worker may receive a survivor benefit of up to 100% of the deceased worker's PIA. Spousal and survivor (widow) benefits are subject to adjustments based on the (surviving) spouse's age at entitlement, the retired or deceased worker's age at entitlement, the receipt of a Social Security benefit based on the (surviving) spouse's own work record, earnings prior to the FRA above certain thresholds, and earnings from employment not covered by Social Security.

Widow Benefits[4]

Survivor benefits are derived from the deceased worker's Social Security insurance status and lifetime covered earnings. Spouses and former spouses of fully insured deceased workers (those with 40 or more earnings credits) are eligible for survivor benefits as long as they meet the other requirements for those benefits. For example, the surviving spouse (widow) must be aged 60 or older (sometimes referred to as a *nondisabled widow*) and must not have remarried before age 60. A surviving spouse with a qualifying disability who has not remarried before age 50 may begin to receive survivor benefits at age 50 (referred to as a *disabled widow*). The surviving spouse also may receive disabled widow benefits if disabled within 7 years after the death of the fully insured spouse, or before age 60, whichever is earlier. A divorced surviving spouse (divorced widow) who has not remarried before age 60 (age 50 if disabled) can claim a survivors benefit beginning at age 60 (age 50 if disabled) based on a marriage that lasted at least 10 years.[5]

[3] This section draws heavily from CRS Report R42035, *Social Security Primer*, by Barry F. Huston, CRS Report RS22294, *Social Security Survivors Benefits*, by Zhe Li, and other CRS reports as noted.

[4] In this report, unless otherwise noted, the term *widow* is used for ease of exposition to refer to both *widows* and *widowers*.

[5] If the surviving spouse or divorced surviving spouse has a child in care who is under the age of 16 or disabled, the surviving spouse or divorced surviving spouse may receive survivor benefits at any age and without regard to the length-of-marriage requirement. See "Widows and Widowers" and "Mothers and Fathers" in CRS Report R41479, *Social Security: Revisiting Benefits for Spouses and Survivors*, by Zhe Li.

The widow benefit is a specified percentage of the deceased worker's PIA,[6] depending on the widow's age and relationship to the deceased worker.[7] If a widow qualifies for a retirement benefit based on the widow's own work record and the deceased spouse's work record, the widow has dual entitlement and receives the higher amount of the two benefits. In essence, if the widow's own worker benefit is lower than the deceased spouse's worker benefit, the widow receives the widow's own worker benefit plus a reduced widow benefit equal to the difference between the full widow benefit and the widow's retired worker benefit.[8] Monthly benefits are adjusted each year by the cost-of-living adjustment that is applied to all Social Security benefits. Widow benefits are payable in the month of the deceased spouse's death, regardless of when the death occurred during the month.

Reductions for Early Claiming

A widow's benefit is affected by both the widow's own claiming age and the deceased spouse's claiming age. A widow who begins to collect a widow benefit at the FRA will receive 100% of the deceased spouse's PIA. A widow who begins collecting benefits before the FRA will receive reduced benefits. A nondisabled widow who claims benefits at age 60 or a disabled widow who claims at age 50 will receive 71.5% of the deceased worker's PIA, the largest reduction possible.

If the deceased worker claimed reduced benefits before the FRA, the widow benefit will be reduced as well, because it cannot exceed the deceased worker's reduced benefit amount. This provision is referred to as the *widow(er)'s limit*, under which the widow benefit may be reduced to a floor of 82.5% of the deceased worker's full PIA. Conversely, if the deceased worker claimed benefits after the FRA, the deceased worker's delayed retirement credits increase the widow benefit. In considering the reduction for the widow claiming benefits before the widow's FRA and the widow(er)'s limit reduction if the deceased worker claimed benefits before the deceased worker's FRA, the widow receives the smaller of the two benefit amounts.[9]

Among nondisabled widow beneficiaries in December 2018, about 52.2% had their benefits reduced by claiming benefits before their own FRA, about 23.1% had their benefits reduced because their deceased spouse claimed benefits before the FRA, and about 4.1% had their benefits reduced because both the widow and the deceased spouse claimed benefits before their respective FRAs.[10]

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[6] Survivor benefits pertaining to widows are henceforth referred to as *widow benefits* to avoid confusion with other types of survivor benefits.

[7] CRS Report R43542, *How Social Security Benefits Are Computed: In Brief*, by Barry F. Huston, and CRS Report R41479, *Social Security: Revisiting Benefits for Spouses and Survivors*, by Zhe Li.

[8] CRS In Focus IF10738, *Social Security Dual Entitlement*, by Zhe Li.

[9] The following sources provide a more detailed treatment of the widow(er)'s limit: David A. Weaver, "The Widow(er)'s Limit Provision of Social Security," *Social Security Bulletin*, vol. 64, no. 1 (2001/2002), pp. 1-15, https://www.ssa.gov/policy/docs/ssb/v64n1/v64n1p1.pdf; Joan Entmacher, "Strengthening Social Security Benefits for Widow(er)s: The 75% Combined Worker Benefit Alternative," paper submitted to the National Academy of Social Insurance as part of the project, *Strengthening Social Security for Vulnerable Workers*, 2009, https://www.nasi.org/research/2009/strengthening-social-security-benefits-widowers-75-percent.

[10] For these statistics, the term *widow* takes its traditional meaning, referring only to the female surviving spouse. Similar statistics for widowers (men) are not available. See Social Security Administration, *Annual Statistical Supplement, 2019*, Table 5.F13, https://www.ssa.gov/policy/docs/statcomps/supplement/2019/5f.html#table5.f13.

Other Benefit Adjustments

The total amount of survivor benefits paid on a deceased worker's account to qualifying family members is capped at 150% to 188% of the deceased worker's PIA, depending on the value of the PIA. If total survivor benefits exceed this *family maximum*, each person's benefit is reduced proportionately.[11] In addition, if a widow claims benefits before the FRA and is working, the benefit may be reduced by the retirement earnings test, depending on the amount of earnings.[12] Finally, widows with earnings not covered by Social Security may face reduced benefits due to the government pension offset.[13]

Characteristics of Social Security Widow Beneficiaries[14]

In December 2018, 3.91 million individuals received Social Security widow benefits, representing about 6.2% of the 62.9 million Social Security beneficiaries (**Table 1**). Women accounted for 96.3% of widow beneficiaries. More than 41% of nondisabled widow beneficiaries are aged 80 or older.

Table 1. Social Security Beneficiaries, Number and Average Monthly Benefit, December 2018

Type of Beneficiary	Number of Beneficiaries	Average Monthly Benefit
All Social Security beneficiaries	62,906,222	$1,342.00
Old Age and Survivors Insurance	52,743,734	$1,389.20
Retirement benefits	46,803,244	$1,414.37
Survivor benefits	5,940,490	$1,190.93
Widow(er)s	3,907,966	$1,346.27
Nondisabled widow(er)s	3,653,385	$1,388.00
Disabled widow(er)s	254,581	$747.41
Other survivors	2,032,524	$892.24
Disability Insurance	10,162,488	$1,096.99

Source: Social Security Administration, *Annual Statistical Supplement, 2019*, Table 5.A1, https://www.ssa.gov/policy/docs/statcomps/supplement/2019/5a.html#table5.a1.

Notes: "Other survivors" includes children of deceased workers, widowed mothers and fathers, and parents of deceased workers.

In total, Social Security paid $5.26 billion in widow benefits in December 2018, averaging $1,388 per month for nondisabled widows and $747.41 per month for disabled widows (**Table 1**). Among nondisabled widow beneficiaries, 12.1% had a monthly benefit less than $750, whereas 11.2% had a monthly benefit of $2,000 or more. About 79.4% of nondisabled widow

[11] See "Maximum Family Benefit Amount" in CRS Report R42035, *Social Security Primer*, by Barry F. Huston.

[12] CRS Report R41242, *Social Security Retirement Earnings Test: How Earnings Affect Benefits*, by Tyler Q. Welch and Zhe Li.

[13] CRS Report RL32453, *Social Security: The Government Pension Offset (GPO)*, by Zhe Li.

[14] The statistics in this section were derived from Social Security Administration, *Annual Statistical Supplement, 2019*, Tables 5.A1, 5.A1.6, 5.F8, 5.F11, and 5.F13, https://www.ssa.gov/policy/docs/statcomps/supplement/2019/index.html.

beneficiaries aged 65 or older had their monthly benefit reduced because of their own early retirement (52.2%), early retirement by their deceased spouse (23.1%), or both (4.1%).[15]

Perceived Need for Targeted Benefit Enhancements for Widows

Researchers and policymakers have raised concerns about both benefit adequacy and benefit equity in the context of Social Security benefits for widows. Concerns about benefit adequacy stem from the facts that the widow has outlived the spouse, may contend with a reduced monthly income after the spouse's death, may confront significant medical and long-term care expenses associated with the deceased spouse's end-of-life care, and is at risk of outliving retirement resources and incurring significant expenses for long-term care. Concerns about benefit equity stem from Social Security program rules that provide higher benefits to one-earner couples than to two-earner couples with identical lifetime earnings and Social Security payroll tax contributions. More equitable program rules, reflecting changes in family structure and the work patterns of husbands and wives, would provide equal benefits for equal contributions.

Benefit Adequacy Concerns

A widow is at risk of a substantial income reduction after the spouse's death, compared with the couple's total income prior to the spouse's death. The widow's Social Security benefit may be 33% to 50% lower than the combined couple's Social Security benefit. The deceased spouse's pension from work may be lost or cut in half. The widow also may confront depleted assets from the deceased spouse's medical or long-term care expenses. In addition, on average, women outlive men and today's widows face increased life expectancy relative to earlier cohorts, potentially incurring significant expenses for their own long-term care and increasing the risk of outliving their retirement resources. These factors contribute to high observed poverty rates among widows and concerns about the adequacy of Social Security benefits in widowhood.

Table 2 provides hypothetical examples of the differing benefit reductions experienced by widows depending on the relative earnings of the husband and wife.[16]

- In Example 1, spouse A (worker) in a single-earner couple receives a Social Security benefit at the FRA of $1,770 per month and spouse B (nonworker) receives a Social Security spouse benefit at the FRA of $885 per month (50% of the worker's benefit). The combined couple's retirement benefit is $2,655, or 150% of the worker's PIA (100% of the worker's PIA plus a spouse benefit equal to 50% of the worker's PIA). After the worker's death, the widow (spouse B) receives a widow benefit equal to 100% of the deceased worker's benefit, which is 67% of the combined couple's benefit while both were alive (or a 33% reduction).
- For the two-earner couple in Example 2, where spouse A and spouse B have equal earnings and both claim benefits at the FRA, their combined benefit is 200% of either worker's PIA ($1,120 for spouse A plus $1,120 for spouse B

[15] For these statistics, the term *widow* takes its traditional meaning, referring only to the female surviving spouse. Similar statistics for widowers (men) are not available. See Social Security Administration, *Annual Statistical Supplement, 2019*, Table 5.F13, https://www.ssa.gov/policy/docs/statcomps/supplement/2019/5f.html#table5.f13.

[16] David A. Weaver, "Widows and Social Security," *Social Security Bulletin*, vol. 70, no. 3 (2010), pp. 89-109, https://www.ssa.gov/policy/docs/ssb/v70n3/v70n3p89.pdf, also provides several detailed examples.

equals $2,240 combined for the couple). After spouse A's death, the widow (spouse B) continues to receive a worker benefit (which is equivalent to the widow benefit from the deceased husband). The total monthly benefit is 50% of the combined couple's benefit while both spouses were alive (or a 50% reduction).

- Example 3 shows a two-earner couple with unequal earnings. Spouse A receives a Social Security retirement benefit at the FRA of $1,770 per month. Spouse B, with lower earnings, receives a worker benefit at the FRA of $1,120 per month. The combined couple's benefit is $2,890 per month. Upon spouse A's death, the widow (spouse B) continues to receive a worker benefit, increased by the widow benefit to equal $1,770 per month, or 100% of the deceased worker's benefit. The widow's monthly benefit is 61% of the combined couple's benefit while both were alive (or a 39% reduction).

Table 2. Current-Law Social Security Benefit Scenarios

	One-Earner Couple (Example 1)	Two-Earner Couple with Equal Earnings (Example 2)	Two-Earner Couple with Unequal Earnings (Example 3)
Spouse A benefit at retirement	$1,770	$1,120	$1,770
Spouse B benefit at retirement	$885	$1,120	$1,120
Combined couple's retirement benefit	$2,655	$2,240	$2,890
Total monthly benefit to widow (spouse B)	$1,770	$1,120	$1,770
Total monthly benefit to widow (spouse B) as a percentage of combined couple's benefit	67%	50%	61%

Source: Congressional Research Service (CRS) adaptation of American Academy of Actuaries, *Issue Brief: Women and Social Security*, 2017, p. 6, https://www.actuary.org/sites/default/files/files/publications/Women_and_Social_Security_051217.pdf.

Note: Estimates assume both spouses are aged 66 (full retirement age) and retired in 2014.

Placing the Social Security benefit reduction experienced by a widow upon the spouse's death in the broader context of benefit adequacy requires assessing a single person's consumption needs relative to a couple's. Clearly, a single person's consumption (and thus income) needs are lower than a couple's. The precise amount of the reduction depends upon the extent of economies of scale experienced by a couple relative to a single person, that is, the degree to which a single person needs more than half the income of a couple to sustain the same standard of living. One way to operationalize this concept is to look at the differences between poverty thresholds for one-person and two-person families.[17] The federal poverty threshold in 2018 for a one-person

[17] See Constance F. Citro and Robert T. Michaels, eds., *Measuring Poverty: A New Approach* (Washington, DC: National Academy Press, 1995), chapter 3, https://www.census.gov/library/publications/1995/demo/citro-01.html, for a detailed discussion of approaches to adjusting poverty thresholds by family type and size, and associated research literature.

family over the age of 65 was 79% of the federal poverty threshold for a two-person family over the age of 65.[18] The Census Bureau's Supplemental Poverty Measure results in a threshold for a one-adult family equal to about 70% of the threshold for a two-adult family.[19] These measures suggest that Social Security widow benefits equaling between 50% and 67% of the combined couple's benefit while both spouses were alive may not be sufficient to sustain the widow's consumption.

In addition to reduced Social Security benefits, widows are likely to lose part—or in some cases, all—of any private pension payments that were received by the deceased spouse. Prior to the Employee Retirement Income Security Act (ERISA) reforms in 1974, the default pension payout scheme was a single-life annuity that ended upon the retired worker's death. ERISA changed the default to a joint-and-survivor benefit that would continue payments to the widow, albeit at a reduced rate (typically 50%). Further reforms under the Retirement Equity Act of 1984 require the signatures of both the worker and the spouse when choosing a single-life benefit instead of the (default) joint-and-survivor benefit. In either case, the reduction in pension income upon widowhood can be substantial.[20] Pension income also tends to decrease in real value over time, with very few private-sector defined-benefit pensions offering postretirement cost-of-living adjustments.[21]

Widows may experience significant reductions in wealth and private savings following their spouse's death because of medical and long-term care expenses at the end of life. One study finds that end-of-life out-of-pocket medical expenses are large both in absolute terms and relative to income. Among those in the lowest 25% of the income distribution, end-of-life medical expenses were found to equal roughly 70% of income.[22]

On average, women live longer than men, and women today live longer than women from earlier cohorts. Remaining life expectancy at retirement is projected to be 2.5 years greater for women reaching age 65 in 2019 compared with men reaching age 65 in 2019.[23] In addition, remaining life expectancy at retirement has increased substantially across birth cohorts. For example, remaining cohort life expectancy for a woman reaching age 65 in 2019 is projected to be 21.5 years, compared with 20.0 years for a woman reaching age 65 in 1999 and 18.8 years for a woman reaching age 65 in 1979.[24] However, these life expectancy gains are not shared equally by all men and women. Greater improvements in life expectancy have been experienced by those in

[18] Author's calculations from U.S. Census Bureau poverty thresholds by size of family and number of children; see https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html.

[19] U.S. Census Bureau, *The Supplemental Poverty Measure: 2017*, Current Population Reports P60-265, September 2018, https://www.census.gov/content/dam/Census/library/publications/2018/demo/p60-265.pdf.

[20] Purvi Sevak, David R. Weir, and Robert J. Willis, "The Economic Consequences of a Husband's Death: Evidence from the HRS and AHEAD," *Social Security Bulletin*, vol. 65, no. 3 (2003/2004), pp. 31-44, https://www.ssa.gov/policy/docs/ssb/v65n3/v65n3p31.pdf.

[21] Alicia H. Munnell and Mauricio Soto, *State and Local Pensions Are Different From Private Plans*, Center for Retirement Research at Boston College, State and Local Pension Plans No. 1, 2007, https://crr.bc.edu/wp-content/uploads/2007/11/slp_1.pdf.

[22] Kathleen McGarry and Robert F. Schoeni, "Widow(er) Poverty and Out-of-Pocket Medical Expenditures Near the End of Life," *Journal of Gerontology: Social Science*, vol. 60B, no. 3, (2005), pp. S160-S168, https://academic.oup.com/psychsocgerontology/article-pdf/60/3/S160/1489943/S160.pdf.

[23] Felicitie Bell, K. Mark Bye, and Michael Morris, *Unisex Life Expectancy at Birth and Age 65, Actuarial Note Number 2019.2*, Social Security Administration, Office of the Chief Actuary, April 2019, https://www.ssa.gov/oact/NOTES/ran2/an2019-2.pdf.

[24] Ibid. The remaining cohort life expectancies for men reaching age 65 are 19.0 years in 2019, 17.3 years in 1999, and 14.6 years in 1979.

the upper portions of the income distribution relative to those with lower incomes, resulting in a growing gap in life expectancy by income.[25]

With that as background, consider that in 2017, about 18% of all individuals aged 60 or older were widows; however, nearly 26% of individuals aged 60 or older who lived in families with income below the federal poverty threshold were widows, as shown in **Table 3**.[26]

Table 3. Percentage Distribution of Individuals Aged 60 and Older, Overall and In Poverty, by Marital Status, 2017

	All Individuals Aged 60 or Older	Individuals in Poverty, Aged 60 or Older
Total Percentage	100%	100%
Marital Status		
Married living together	58.9%	27.0%
Widow(er)	17.9%	25.7%
Divorced or separated	16.6%	30.7%
Never married	6.6%	16.6%

Source: Author's calculations from the Current Population Survey, Annual Social and Economic Supplement, March 2018.

Notes: Poverty status is measured against the federal poverty threshold, updated annually by the U.S. Census Bureau, https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html.

Table 4 shows the poverty rate in 2017 among individuals aged 60 or older by Social Security beneficiary status and marital status. Among individuals aged 60 or older, the poverty rate among widows was 13.7%, compared with 9.5% for all individuals, 4.4% for married individuals living together, 17.6% for divorced or separated individuals, and 23.7% for never-married individuals. Poverty rates were lower across the board for individuals aged 60 or older who receive Social Security benefits, but still relatively high for widows (10.1%). Never-married individuals had the highest poverty rate among Social Security beneficiaries aged 60 or older, at 19.8%, whereas 2.4% of married individuals living together and receiving Social Security benefits lived in poverty. Although considerably smaller in number, non-Social Security beneficiaries aged 60 or older had substantially higher poverty rates, reaching 30.5% among widows (not shown).

Older women—in general and among Social Security beneficiaries; among widowed women in particular as well as women who are divorced or separated—had higher poverty rates than older men.[27] In 2017, the poverty rate was 14.6% for widowed women aged 60 or older and 10.8% for

[25] CRS Report R44846, *The Growing Gap in Life Expectancy by Income: Recent Evidence and Implications for the Social Security Retirement Age*, by Katelin P. Isaacs and Sharmila Choudhury.

[26] Author's calculations from the Current Population Survey, Annual Social and Economic Supplement, March 2018, https://www.census.gov/programs-surveys/cps/data-detail.html. **Table 3**, **Table 4**, and **Table 5** focus on individuals and Social Security beneficiaries aged 60 or older because age 60 is the earliest age of eligibility for Social Security nondisabled widow benefits. Disabled widows may receive benefits at ages 50-59, but accounted for just 6.5% of all Social Security widow beneficiaries in December 2018 (see **Table 1**). Importantly, many individuals aged 60 or older are not yet eligible to receive Social Security benefits. As noted above, the Social Security FRA is currently 66, with reduced retired-worker benefits available beginning at age 62. **Table 4** and **Table 5** include notes about the percentage of the table universe that receives Social Security benefits.

[27] See Figures 7 and 8 in CRS Report R45791, *Poverty Among Americans Aged 65 and Older*, by Zhe Li and Joseph Dalaker, for poverty statistics among individuals aged 65 and older by gender and marital status.

widowed women aged 60 or older receiving Social Security benefits, compared with 10.5% and 7.7%, respectively, for men aged 60 or older (see **Table 5**).

Table 4. Poverty Rate Among Individuals Aged 60 or Older, by Social Security Beneficiary Status and Marital Status, 2017

	All Individuals Aged 60 or Older	Social Security Beneficiaries Aged 60 or Older
All	9.5%	7.1%
Marital Status		
Married living together	4.4%	2.4%
Widow(er)	13.7%	10.1%
Divorced or separated	17.6%	15.6%
Never Married	23.7%	19.8%

Source: Author's calculations from the Current Population Survey, Annual Social and Economic Supplement, March 2018.

Notes: Poverty status is measured against the federal poverty threshold, updated annually by the U.S. Census Bureau, https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html. Approximately 64.6% of individuals aged 60 or older in 2017 were Social Security beneficiaries.

Table 5. Poverty Rate Among Widow(er)s Aged 60 or Older, Overall and Among Social Security Beneficiaries, by Gender and Selected Characteristics, 2017

	All Widow(er)s Aged 60 or Older			Widow(er)s Aged 60 or Older Receiving Social Security Benefits		
		Gender			Gender	
	All	Widowers (Men)	Widows (Women)	All	Widowers (Men)	Widows (Women)
All	13.7%	10.5%	14.6%	10.1%	7.7%	10.8%
Gender						
Male	10.5%	10.5%	—	7.7%	7.7%	—
Female	14.6%	—	14.6%	10.7%	—	10.8%
Age						
60-64	20.4%	15.5%	21.7%	19.5%	13.0%	21.1%
65-69	11.9%	10.6%	12.3%	7.8%	7.1%	7.9%
70-74	9.7%	7.6%	10.4%	7.5%	5.3%	8.1%
75-79	15.0%	8.2%	16.9%	11.0%	6.8%	12.2%
80-84	14.3%	13.6%	14.5%	10.6%	9.1%	11.1%
85 or older	13.4%	9.8%	14.4%	10.2%	8.4%	10.7%
Race						
White alone	11.9%	8.1%	13.1%	8.7%	6.2%	9.4%
Black alone	23.3%	22.9%	23.4%	20.4%	16.8%	21.4%
Asian alone	18.3%	20.1%	18.0%	8.6%	8.0%	8.8%

	All Widow(er)s Aged 60 or Older			Widow(er)s Aged 60 or Older Receiving Social Security Benefits		
		Gender			Gender	
	All	Widowers (Men)	Widows (Women)	All	Widowers (Men)	Widows (Women)
Ethnicity						
Hispanic (any race)	23.5%	19.9%	24.6%	19.6%	17.7%	20.2%
Not Hispanic	12.8%	9.6%	13.7%	9.4%	7.0%	10.1%
Educational Attainment						
Less than high school	23.4%	19.2%	24.6%	19.3%	16.2%	20.2%
High school diploma	12.6%	10.1%	13.2%	9.1%	6.3%	9.9%
Some college	10.2%	6.4%	11.3%	7.2%	4.3%	8.1%
Bachelors degree	11.1%	7.2%	12.4%	4.9%	4.7%	4.9%
Advanced degree	7.9%	7.5%	8.1%	7.2%	7.9%	7.0%
Any Earnings in 2017						
Yes	2.8%	1.2%	3.3%	0.9%	0.2%	1.2%
No	15.6%	12.3%	16.5%	11.1%	8.7%	11.8%

Source: Author's calculations from the Current Population Survey, Annual Social and Economic Supplement, March 2018.

Notes: Poverty status is measured against the federal poverty threshold, updated annually by the U.S. Census Bureau, https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html. Approximately 82.3% of widow(er)s aged 60 or older in 2017 were Social Security beneficiaries.

Table 5 also provides the poverty rate for widows and widowers aged 60 or older, and widows and widowers aged 60 or older receiving Social Security benefits by age, race, ethnicity, educational attainment, and earnings in 2017. The poverty statistics provide clear evidence that widows are more vulnerable than widowers across all subgroups. The poverty statistics also show that receipt of Social Security benefits reduces poverty overall and, for many subgroups, narrows the gap in poverty rates between widows and widowers. Focusing on widows receiving Social Security benefits, young widows (aged 60-64) have a higher poverty rate (19.5%), and older widows (aged 75 or older) have moderately higher poverty rates (10%-11%), compared with widows aged 65-74 (roughly 8%). White, Asian, and non-Hispanic widows aged 60 or older receiving Social Security benefits have substantially lower poverty rates (around 9%) than black and Hispanic widows aged 60 or older receiving Social Security benefits (20.4% and 19.6%, respectively). Better-educated widows aged 60 or older receiving Social Security benefits have lower poverty rates. Among the small fraction of widows aged 60 or older receiving Social Security benefits who had any earnings in 2017, the poverty rate was 0.9%.

Considering changes in all income sources, studies find that widows experience an income reduction of 35% to 40% upon their spouse's death. The reduction in income leads to significant increases in poverty rates among widows, the effects of which may compound over time for women who become widowed at younger ages and experience widowhood for longer time periods.[28] Moreover, a substantial fraction of older adults living alone (which may include widows as well as divorced or separated individuals and never-married individuals) has income above the poverty threshold but still below a level that achieves long-term economic stability.[29] Estimates from the CPS show that, in 2017, 16.7% of all widows aged 60 or older and 18.3% of all widows aged 60 or older receiving Social Security benefits lived in *near poverty*, meaning their family income is above the federal poverty threshold but below 150% of the federal poverty threshold.[30]

Benefit Equity Concerns

Changes over the past 80-plus years in family structure and the work patterns of husbands and wives are not reflected in current Social Security program rules, leading to some concerns about benefit equity. Benefit equity suggests that equal lifetime earnings should yield equal benefits. However, under existing program rules, some two-earner couples with substantially higher earnings and contributions receive only slightly higher retirement and widow benefits than traditional one-earner couples with a working husband and a wife devoted to home production. Social Security benefits for a spouse with no labor market earnings were designed to be relatively generous. Thus, a traditional one-earner couple receives higher benefits than a two-earner couple with identical lifetime earnings and payroll tax contributions.

Consider the examples in **Table 6**, which follow the same couples from **Table 2** but add detail about their underlying earnings and Social Security payroll taxes paid. As before, the examples assume that both spouses retire at their full retirement age and receive unreduced benefits. Example 1 is the traditional one-earner couple, where spouse A earns wages in the workforce and spouse B specializes in home production (no wage earnings). Example 2 is a two-earner couple, with the same total annual earnings and payroll taxes as in Example 1, earned and paid in equal proportions by spouse A and B. Despite paying equal payroll taxes, the couple in Example 2 receives lower Social Security benefits during retirement and the total monthly benefit to the widow (spouse B) is substantially lower. In Example 3, spouse A's earnings are the same as in Example 1, but now spouse B also has earnings and makes payroll tax contributions. Although the combined benefit in retirement is somewhat higher in Example 3 than in Example 1,

[28] Anek Belbase and Laura D. Quinby, *Would Greater Awareness of Social Security Survivor Benefits Affect Claiming Decisions?*, Center for Retirement Research at Boston College, Working Paper no. 2018-12, 2018, https://crr.bc.edu/wp-content/uploads/2018/10/wp_2018-12.pdf; Kathleen McGarry and Robert F. Schoeni, "Widow(er) Poverty and Out-of-Pocket Medical Expenditures Near the End of Life," *Journal of Gerontology: Social Science*, vol. 60B, no. 3 (2005), pp. S160-S168, https://academic.oup.com/psychsocgerontology/article-pdf/60/3/S160/1489943/S160.pdf; Purvi Sevak, David R. Weir, and Robert J. Willis, "The Economic Consequences of a Husband's Death: Evidence from the HRS and AHEAD," *Social Security Bulletin*, vol. 65, no. 3 (2003/2004), pp. 31-44, https://www.ssa.gov/policy/docs/ssb/v65n3/v65n3p31.pdf; and Martie Gillen and Hyungsoo Kim, "Older Women and Poverty Transition: Consequences of Income Source Changes from Widowhood," *Journal of Applied Gerontology*, vol. 28, no. 3 (2009), pp. 320-341, https://journals.sagepub.com/doi/pdf/10.1177/0733464808326953.

[29] Jan E. Mutchler, Yang Li, and Ping Xu, *Living Below the Line: Economic Insecurity and Older Americans Insecurity in the States 2016*, Center for Social and Demographic Research on Aging Publications, research report no. 13, 2016, http://scholarworks.umb.edu/demographyofaging/13. The study assesses economic security against the Elder Economic Security Standard Index, which is calculated at the county level to represent the "income level at which elders are able to cover basic and necessary living expenses and age in their homes, without relying on benefit programs, loans or gifts" (p. 1).

[30] Author's calculations from the Current Population Survey, Annual Social and Economic Supplement, March 2018.

reflecting spouse B's earnings, the total monthly benefit to the widow is equal in both examples. Spouse B's earnings in example 3 do not increase the total monthly benefit in widowhood.

Table 6. Current-Law Examples—Impact on Social Security Benefits of Different Family Circumstances

	One-Earner Couple (Example 1)	Two-Earner Couple with Equal Earnings (Example 2)	Two-Earner Couple with Unequal Earnings (Example 3)
Spouse A earns	$50,000	$25,000	$50,000
Spouse B earns	$0	$25,000	$25,000
Annual Social Security tax (6.2%)	$3,100/year	$3,100/year	$4,650/year
Total monthly benefit at retirement	$1,770 spouse A + $885 spouse B ($2,655 total)	$1,120 spouse A + $1,120 spouse B ($2,240 total)	$1,770 spouse A + $1,120 spouse B ($2,890 total)
Total monthly benefit to survivor	$1,770	$1,120	$1,770

Source: American Academy of Actuaries, *Issue Brief: Women and Social Security*, 2017, p. 6, https://www.actuary.org/sites/default/files/files/publications/Women_and_Social_Security_051217.pdf.

Note: Estimates assume both spouses are aged 66 (full retirement age) and retired in 2014.

Social Security Policy Options to Aid Widows

Driven by concerns about Social Security benefit adequacy and benefit equity for widows, researchers, advocates, and policymakers have considered several approaches to modifying Social Security benefits to aid widows. One approach is to adjust the Social Security program policy levers that most directly affect widows. These levers include the fraction of the deceased worker's PIA that the surviving spouse would receive under the widow(er)'s limit, the provision of credits for delayed claiming, the parameters around benefits for disabled widows, and the lump-sum death benefit. Another approach is to develop an alternative widow benefit, envisioned as a percentage of the couple's combined Social Security benefits while both were alive, with the widow receiving the higher of this alternative benefit amount and the current-law widow benefit.

This section looks to the research and policy literature, and previously introduced legislation in some cases, to describe policy options. The discussion identifies potential effects on benefit adequacy and benefit equity, and highlights projected effects on program solvency and estimated distributional effects.

Widow(er)'s Limit

As described earlier, the widow(er)'s limit reduces the widow benefit by as much as 17.5%, to a floor of 82.5% of the deceased worker's full PIA, if the deceased worker claimed reduced benefits before the FRA. The idea behind the widow(er)'s limit is that the widow's benefit cannot exceed the deceased worker's reduced benefit amount. The widow(er)'s limit also provides incentives for married workers to delay claiming Social Security benefits. However, it negatively affects benefit adequacy for widows, some of whom may have limited access to non-Social Security sources of income. Although the widow(er)'s limit is a little-known feature of the Social

Security program, it affected the benefits of about 27% of Social Security nondisabled widow beneficiaries aged 65 or older in December 2018, or 857,135 beneficiaries.[31]

The effects of eliminating or modifying the widow(er)'s limit were estimated in a 2001 Social Security Administration (SSA) study, with data pertaining to the mid- to late 1990s.[32] Eliminating the widow(er)'s limit would produce the largest estimated effects, increasing the total amount of widow benefit payments by about 5%. For widows who experience the maximum benefit reduction of 17.5% under the widow(er)'s limit, eliminating the widow(er)'s limit would substantially improve benefit adequacy. However, the SSA study estimated that only 14% of the increased benefit payments would be received by widows in poverty and that 40% would be received by widows near poverty (with income under 150% of the federal poverty threshold). Adjustments to the widow(er)'s limit could be designed to direct more of the increased benefit payments to widows in or near poverty, but then would affect fewer widows and would do less to improve benefit adequacy. Other options explored in the SSA study to modify the widow(er)'s limit, again affecting fewer widows, focus on individuals who are widowed before the FRA or cases in which the worker dies before the FRA.

Eliminating the widow(er)'s limit would mean that the widow would receive better survivor protection from Social Security than the (deceased) worker, considering that, if the spouse were to die before the worker, the worker would continue to receive a reduced worker benefit (for claiming before the FRA). None of the potential changes to the widow(er)'s limit address the equity concerns with current-law widows benefits.

Credits for Delayed Claiming

Two bills—S. 345 and H.R. 4123—have been introduced in the 116th Congress that would provide credits, or increased benefits, for widows who delay claiming or temporarily suspend receipt of benefits on their deceased spouse's work record.[33] Among other changes, S. 345 would modify widow benefits as follows:

- For widows whose current-law benefit would be less than 100% of the deceased spouse's PIA, it would increase benefits by between 0.34% and 0.39% per month (up to 4.1% to 4.7% annually), depending on the widow's FRA, for each month of delayed claiming or suspension beyond age 60, up to 100% of the deceased spouse's PIA.
- For widows whose current-law benefit would be equal to or greater than 100% of the deceased spouse's PIA, it would increase monthly benefits at the retired-worker delayed retirement credit rate (0.67% per month, up to 8% annually, for

[31] For this statistic, the term *widow* takes its traditional meaning, referring only to the female surviving spouse. Similar information for widowers (men) is not available. See Social Security Administration, *Annual Statistical Supplement, 2019*, Table 5.F13, https://www.ssa.gov/policy/docs/statcomps/supplement/2019/5f.html#table5.f13.

[32] David A. Weaver, "The Widow(er)'s Limit Provision of Social Security," *Social Security Bulletin*, vol. 64, no. 1 (2001/2002), pp. 1-15, https://www.ssa.gov/policy/docs/ssb/v64n1/v64n1p1.pdf.

[33] S. 345, Surviving Widow(er) Income Fair Treatment (SWIFT) Act, 116th Congress. H.R. 4123, 116th Congress. Under current law, an individual who has reached full retirement age and is entitled to Social Security retirement benefits (or who has applied for Social Security retirement benefits and is awaiting a determination) may voluntarily suspend benefits for any month up to age 70. During a voluntary suspension, an individual earns delayed retirement credits, which will increase the monthly benefit once resumed. See Social Security Administration, "Suspending Retirement Benefit Payments," at https://www.ssa.gov/planners/retire/suspend.html, and Social Security Administration, "Voluntary Suspension of Retirement Benefits FAQs," at https://www.ssa.gov/planners/retire/suspendfaq.html.

individuals born in 1944 and later) for each month of delayed claiming or suspension, up to 124% of PIA if the deceased spouse's FRA was 67 or 132% of PIA if the deceased spouse's FRA was 66.

Under H.R. 4123, monthly widow benefits would be increased at the retired-worker delayed retirement credit rate (0.67% per month, up to 8% annually, for individuals born in 1944 and later) for widows who delay claiming or suspend benefits beyond their FRA, up to age 70.

SSA's Office of the Chief Actuary (OCACT) estimated the financial effects on Social Security of S. 3457, a 115th Congress version of S. 345.[34] The estimates are based on the 2018 Trustees Report's intermediate assumptions and address the policy change's effects on the combined reserves of the Old-Age and Survivors Insurance and Disability Insurance Trust Funds. OCACT estimated that Section 4 of S. 3457, pertaining to the increased widow benefits for delayed or suspended claiming described above, would worsen the Social Security program's actuarial balance by 0.02% of taxable payroll and would have resulted in about 400,000 widow beneficiaries receiving higher monthly benefits in 2018 if the provision had always been in effect.[35] OCACT estimates of H.R. 4123 are not available. Both bills would improve benefit adequacy for affected widows, but would not address the equity concerns with current-law widow benefits.

Benefit Parameters for Disabled Widows

Three bills introduced in the 116th Congress would adjust the parameters for disabled widow benefits.[36] S. 345, H.R. 4122, and H.R. 4125 would expand eligibility for disabled widow benefits by eliminating the requirements that a disabled widow be at least 50 years old and that, if not disabled at the time of the spouse's death, the widow become disabled within seven years of the spouse's death (or by age 60, whichever is earlier). The bills would enhance benefits by eliminating the reduction of disabled widow benefits for those claiming before their FRA, effectively establishing a floor for disabled widow benefits equal to 100% of the deceased spouse's PIA.

OCACT's estimates of S. 3457's financial effects (mentioned above in "Credits for Delayed Claiming") found that Section 2 of the bill, pertaining to the expanded eligibility and benefit enhancements for disabled widow benefits described above, would worsen the Social Security program's actuarial balance by 0.02% of taxable payroll and would have resulted in about 600,000 widow beneficiaries receiving higher monthly benefits, or additionally receiving benefits, in 2018 if the provision had always been in effect.[37] Although not directly addressed in the OCACT estimates, these eligibility expansions and benefit expansions could induce some widows with disabilities to apply for benefits who would not have done so under current law. OCACT did not produce estimates for H.R. 4122 and H.R. 4125. These bills would improve

[34] S. 3457, Surviving Widow(er) Income Fair Treatment (SWIFT) Act of 2018, 115th Congress.

[35] Social Security Administration, Office of the Chief Actuary (SSA OCACT), *Estimates of the Financial Effects on Social Security of S. 3457, the "Surviving Widow(er) Income Fair Treatment Act of 2018," or the "SWIFT Act," introduced on September 18, 2019 by Senator Robert P. Casey, Jr.*, September 19, 2018, https://www.ssa.gov/oact/solvency/RCasey_20180919.pdf.

[36] S. 345, Surviving Widow(er) Income Fair Treatment (SWIFT) Act, 116th Congress; H.R. 4122, To amend title II of the Social Security Act to provide for full benefits for disabled widows and widowers without regard to age, 116th Congress; and H.R. 4125, To amend title II of the Social Security Act to repeal the 7-year restriction on eligibility for widow's and widower's insurance benefits based on disability, 116th Congress.

[37] SSA OCACT, *Estimates of the Financial Effects on Social Security of S. 3457*.

benefit adequacy for affected disabled widows, but would not address the equity concerns with current-law widow benefits.

Lump-Sum Death Benefit[38]

When a Social Security-insured worker dies, the surviving spouse who was living with the deceased worker is entitled to a one-time, lump-sum death benefit of $255. The dollar value of the lump-sum death benefit has not changed since 1954, meaning that its real value, after adjusting for inflation, has eroded significantly over time. Over the years, proposals have been put forward to modify or eliminate the lump-sum death benefit, including several proposals to increase it.[39] In the context of aiding widows as a vulnerable group, even a substantial increase in the lump-sum death benefit would provide only partial relief—through a one-time payment—for the deceased spouse's end-of-life expenses (medical and burial). As such, it would address the adequacy concerns with current-law widow benefits in only a limited fashion. As an across-the-board increase for all widows, it would not be targeted to those in poverty or near poverty. Moreover, it would not alleviate the equity concerns with current-law widow benefits.

An Alternative Widow Benefit

Another approach to modifying Social Security benefits to aid widows is to calculate an alternative widow benefit. Many authors in the research and policy literature envision the alternative widow benefit as a percentage of the sum of the widow's own worker benefit (including any actuarial reductions or delayed retirement credits) and the deceased spouse's PIA (potentially including any actuarial reductions or delayed retirement credits).[40] The widow would receive the higher of this alternative benefit amount and the current-law widow benefit. This approach is thought to both increase benefit adequacy and improve benefit equity. The alternative widow benefit could be capped at a specified level to improve targeting to low- and moderate-income widows and reduce cost. Current-law spouse benefits also could be reduced to offset the alternative widow benefit's cost.

When calculating the combined benefit, the widow's own worker benefit would be reduced for claiming before the FRA, if applicable. Some proposals include the spouse benefit for this portion of the calculation as well, while others use only the widow's own worker benefit. Including the spouse benefit would broaden eligibility to include single-earner couples and provide greater

[38] CRS Report R43637, *Social Security: The Lump-Sum Death Benefit*, by Zhe Li.

[39] For example, the BASIC Act in the 115th Congress (H.R. 5302 and S. 1739) proposed to increase the lump-sum death benefit to 50% of the deceased worker's PIA. In the 114th Congress, the Social Security Lump-Sum Death Benefit Improvement and Modernization Act of 2015 (H.R. 1109) proposed to increase the lump-sum death benefit to $1,000.

[40] The following are recent sources that discuss variations of the alternative widow benefit. Many earlier references are available as well. Alicia H. Munnell and Andrew Eschtruth, *Modernizing Social Security: Widow Benefits*, Center for Retirement Research at Boston College, Issue Brief 18-17, 2018, https://crr.bc.edu/wp-content/uploads/2018/09/IB_18-17.pdf; Joan Entmacher, Mikki Waid, and Benjamin W. Veghte, *Overcoming Barriers to Retirement Security for Women: The Role of Social Security*, National Academy of Social Insurance, December 2016, https://www.nasi.org/sites/default/files/research/SS_Brief_49.pdf; Joan Entmacher, "Strengthening Social Security Benefits for Widow(er)s: The 75% Combined Worker Benefit Alternative," paper submitted to the National Academy of Social Insurance as part of the project, *Strengthening Social Security for Vulnerable Workers*, 2009, https://www.nasi.org/research/2009/strengthening-social-security-benefits-widowers-75-percent; and U.S. Government Accountability Office, *Social Security: Options to Protect Benefits for Vulnerable Groups When Addressing Program Solvency*, GAO-10-101R, 2009, https://www.gao.gov/products/GAO-10-101R.

improvements to benefit adequacy. Using only the widow's worker benefit would do more to improve the proposal's effects on benefit equity.

If the deceased spouse claimed benefits before the FRA, the calculation could use the deceased spouse's reduced worker benefit, or it could use the full PIA as if the deceased spouse had claimed benefits at the FRA. The latter approach would effectively eliminate the widow(er)'s limit for those who receive the alternative widow benefit, and is more effective at improving benefit adequacy for lower earners.

Most proposals for an alternative widow benefit specify that the widow would receive the greater of 75% of the couple's combined worker benefits when both were alive and the current-law widow benefit, as illustrated in **Table 7** following the example couples from **Table 2** and **Table 6**.

- For the single-earner couple in Example 1a, assuming that both spouses claim benefits at the full retirement age, the alternative widow benefit would be 75% of $1,770, or $1,327.50. Since the alternative widow benefit is less than the current-law widow benefit of $1,770, the widow would continue to receive the current-law amount (equal to 67% of the combined couple's benefit).
- Note that if spouse benefits were included in the alternative widow benefit computation, and assuming that both spouses claim benefits at the full retirement age, the widow in Example 1b would receive 75% of the combined couple's benefit of $2,655, or about $1,991.25 per month, compared with 67% of the combined couple's benefit while both were alive under current law.
- For a two-earner couple where the husband and wife have equal earnings, and again assuming that both spouses claim benefits at the full retirement age, the widow benefit would increase from 50% of the combined couple's benefit while both spouses were alive to 75%, as shown in Example 2. The monthly widow benefit would increase from $1,120 under current law to $1,680 under the alternative widow benefit proposal.
- Example 3 shows a two-earner couple where the husband and wife have unequal earnings. Again assuming that both spouses claim benefits at the full retirement age, the widow benefit would increase from 61% of the combined couple's benefit while both spouses were alive to 75%. Although the monthly widow benefit would increase from $1,770 under current law to $2,167.50 under the alternative widow benefit proposal, the percentage increase in the widow benefit would be smaller than for the couple with equal earnings.

The examples in **Table 7** show that the alternative widow benefit proposal, which does not include the value of the spouse benefit, would not improve widow benefits for nonworking survivors in single-earner couples. It would provide the greatest benefit to two-earner couples with roughly equal earnings. Including spouse benefits in the alternative widow benefit calculation would magnify the favorable treatment of nonworking spouses under current law. From the perspective of benefit equity, excluding the spouse benefit would allow the widow's own worker benefit to contribute to the alternative widow benefit on an equal footing with the deceased spouse's worker benefit.

Table 7. Comparison of Social Security Benefits Under Current Law and the Alternative Widow Benefit

	One-Earner Couple (Example 1a)	One-Earner Couple (Example 1b)	Two-Earner Couple with Equal Earnings (Example 2)	Two-Earner Couple with Unequal Earnings (Example 3)
Spouse A worker benefit at retirement	$1,770	$1,770	$1,120	$1,770
Spouse B worker benefit at retirement	$0	$0	$1,120	$1,120
Spouse B spouse benefit at retirement	$885	$885	$0	$0
Combined couple's benefit at retirement	$2,655	$2,655	$2,240	$2,890
Current-law total monthly benefit to widow (Spouse B)	$1,770	$1,770	$1,120	$1,770
Current-law total monthly benefit to widow as a percentage of combined couple's benefit	67%	67%	50%	61%
Alternative widow benefit (Spouse B)	$1,327.50	$1,991.25	$1,680	$2,167.50
Total monthly benefit to widow (Spouse B) under alternative widow benefit proposal[a]	$1,770	$1,991.25	$1,680	$2,167.50
Total monthly benefit under alternative widow benefit proposal as a percentage of combined couple's benefit	67%	75%	75%	75%

Source: CRS adaptation of American Academy of Actuaries, *Issue Brief: Women and Social Security*, 2017, p. 6, https://www.actuary.org/sites/default/files/files/publications/Women_and_Social_Security_051217.pdf.

Notes: Estimates assume both spouses are aged 66 (full retirement age) and retired in 2014.

a. Under the alternative widow benefit proposal, the widow would receive the higher of the alternative widow benefit amount and the current-law widow benefit.

Without a cap on the alternative widow benefit, one study found that most of the proposal's benefits would go to higher-earning couples. Imposing a cap on the alternative widow benefit can improve benefit adequacy by targeting benefit increases to widows at the lower end of the income distribution. Several approaches are available, such as setting the cap at the PIA of a career average earner, the average benefit of all retired workers, or the average benefit of newly retired

workers. The solvency and distributional analyses below impose a cap based on the PIA of a career average earner who becomes eligible for retired worker benefits in the same year the deceased spouse became entitled to worker benefits.

As explained in detail below, based on SSA analysis, the alternative widow benefit's cost is modest and the distributional effects point to improvements in both benefit adequacy and benefit equity. The alternative widow benefit proposal would not reduce benefits for anyone. Thus, no transition period would be needed and it could be applied to new widow beneficiaries as well as current widow beneficiaries. If other changes to the Social Security program were desired to offset the alternative widow benefit's cost, policymakers could consider raising revenue (e.g., increasing the payroll tax), reducing cost (e.g., reducing spouse benefits, other benefit reductions), or both. However, depending on the alternative widow benefit's exact formulation, some approaches may be less desirable. For example, if the widow's spouse benefit is not included in the alternative widow benefit calculation, then offsetting the proposal's cost by reducing spouse benefits would not be appropriate. Additional solvency and distributional analyses could help policymakers to refine the details of any formal proposals.

Cost and Solvency Effects

Three bills introduced in the 116th Congress contain a provision for the alternative widow benefit, constructed largely as described above.[41] OCACT estimated the financial effects on Social Security of previous versions of two of these bills.[42] OCACT also updates alternative widow benefit estimates after the Trustees Report is released each year. The estimates are based on the Trustees Report's intermediate assumptions and address the policy change's effects on the combined reserves of the Old-Age and Survivors Insurance and Disability Insurance Trust Funds.

OCACT's latest estimates of the alternative widow benefit proposal's cost and solvency effects reflect the 2019 Trustees Report's intermediate assumptions. The estimates assume the proposal would be implemented for widows receiving benefits at the beginning of 2021 and those becoming eligible after 2021. The alternative widow benefit estimated by OCACT would be 75% of the couple's combined worker benefits when both were alive (the widow's own worker benefit and the deceased worker's PIA). It would apply actuarial reductions or delayed retirement credits to the widow's own worker benefit and the deceased spouse's PIA. Finally, it would impose a cap defined by the PIA of a hypothetical worker who earns the SSA average wage index every year and becomes eligible for retired worker benefits in the same year the deceased spouse became entitled to worker benefits. Under these alternative widow benefit parameters, the long-range actuarial balance would worsen by 4%. However, the changes are not large enough to change the year of reserve depletion, estimated to be 2035 in the 2019 Trustees Report under both current law and the alternative widow benefit proposal.[43]

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[41] H.R. 1540, Protecting Our Widows and Widowers in Retirement (POWR) Act, 116th Congress; H.R. 2654, Strengthening Social Security Act of 2019, 116th Congress, and H.R. 4121, Social Security for Future Generations Act of 2019, 116th Congress.

[42] SSA OCACT, *Estimates of the Financial Effects on Social Security of H.R. 5952, the "Strengthening Social Security Act of 2016," introduced on September 8, 2016 by Representative Linda Sánchez*, September 9, 2016, https://www.ssa.gov/oact/solvency/LSanchez_20160909.pdf, and SSA OCACT, *Estimates of the Financial Effects on Social Security of H.R. 2855, the "Social Security for Future Generations Act of 2017," introduced on June 8, 2017 by Representative Al Lawson*, June 8, 2017, https://www.ssa.gov/oact/solvency/ALawson_20170608.pdf.

[43] SSA OCACT, *Summary Measures and Graphs, Category of Change: Family Members, Proposed Provision: D4*, https://www.ssa.gov/oact/solvency/provisions/charts/chart_run319.pdf and https://www.ssa.gov/oact/solvency/provisions/tables/table_run319.pdf.

Distributional Effects

SSA's Office of Research, Evaluation, and Statistics (ORES) estimated the alternative widow benefit proposal's distributional effects using the same underlying proposal parameters modeled by OCACT.[44] The ORES estimates are derived from the Modeling Income in the Near Term, Version 7 (MINT7) microsimulation model.[45] The estimates pertain to current-law beneficiaries aged 60 or older in 2030, 2050, and 2070. Outcomes of interest from the ORES MINT estimates include changes in benefits, household income, and poverty, among all beneficiaries and affected beneficiaries, disaggregated by gender, marital status, educational attainment, and household income quintile.

Among current-law beneficiaries aged 60 or older in 2030, the ORES MINT estimates suggest that 8% of beneficiaries will experience higher benefits under the alternative widow benefit relative to current law, including 10% of female beneficiaries, 11% of beneficiaries whose education was limited to high school, and 14% of beneficiaries with less than a high school education. The proposal would result in higher benefits for nearly one-third of current-law widow beneficiaries, with gains concentrated among those in poverty and in the bottom two-fifths of the household income distribution (due to the cap at the PIA of a career average wage worker). Similar, though slightly stronger, results are obtained for current-law beneficiaries aged 60 or older in 2050 and 2070. Among beneficiaries affected by the alternative widow benefit in 2030, the median benefit increase is 17%, again with the largest gains among those in poverty. The poverty rate is estimated to decrease by 10.2% (or 0.5 percentage points) among all current-law beneficiaries aged 60 or older in 2030, and by 38% (or 1.9 percentage points) among current-law widow beneficiaries aged 60 or older in 2030. In 2070, 43% of current-law widow beneficiaries aged 60 or older are estimated to experience a benefit increase. While the gains continue to be concentrated among the lowest income quintiles in 2050 and 2070, the poverty effects are muted in 2070 relative to 2030 and 2050. Gains relative to payable benefits (rather than scheduled benefits) in 2050 and 2070 are orders of magnitude larger but follow the same general patterns.[46]

When considering the alternative widow benefit's distributional effects, some of the proposal's limitations are worth noting. First, a person must have a qualifying marital history to receive widow benefits. As such, the alternative widow benefit would not improve benefit adequacy for a growing group of women who do not have a marital history that would qualify for widow benefits, including never-married women, who have a high poverty rate (**Table 4**).

Further, if the alternative widow benefit is based only on the widow's own worker benefit (not also including the spouse benefit), then both members of the couple would need to have a work history sufficient to earn Social Security worker benefits. Under this scenario, the alternative

[44] The term *distributional effects* refers to the effects on individuals and families and considers how those effects are distributed by characteristics such as gender, age, marital status, race/ethnicity, income level, and poverty status.

[45] Social Security Administration, Office of Research, Evaluation, and Statistics (SSA ORES), "MINT Overview," https://www.ssa.gov/policy/about/mint.html, accessed July 23, 2019. MINT is built primarily on the Survey of Income and Program Participation, linked at the individual level with SSA benefits and earnings records, and is calibrated to the intermediate assumptions of the 2012 Trustees Report.

[46] Payable benefits are the benefits that can be financed by the Trust Fund after depletion and are an across-the-board reduction from current-law scheduled benefits. Under the assumptions of the 2012 Trustees Report, to which MINT7 is calibrated, Trust Fund depletion is projected to occur in 2033. The estimated payable baseline is a 23.5% reduction to current-law scheduled benefits in 2050 and a 24.6% reduction in 2070. See SSA ORES, *Projection Methodology*, https://www.ssa.gov/policy/docs/projections/methodology.html, accessed July 23, 2019, and SSA ORES, *Policy Option Projections – Family Benefit Changes – Create an Alternative Survivor Benefit*, https://www.ssa.gov/policy/docs/projections/policy-options/family-benefit.html, accessed July 23, 2019.

widow benefit would not improve benefit adequacy for nonworking survivors in single-earner couples.

Finally, a higher Social Security widow benefit could lead to reduced or lost Supplemental Security Income payments for some widows, which in turn could lead to lost eligibility for other means-tested programs, such as Medicaid, the Supplemental Nutrition Assistance Program (formerly known as Food Stamps), and the Low Income Home Energy Assistance Program. Policymakers may wish to consider offsets or exclusions (hold-harmless provisions) in these programs to prevent loss of eligibility.

Other Policy Changes That May Benefit Widows

Several other policy changes proposed for other vulnerable groups would aid widows who are members of those targeted groups. Brief descriptions follow, along with references for more detailed information.[47]

Enhanced Benefits for Low Earners

Under current law, the Social Security program has a special minimum benefit (SMB) for workers with many years of low earnings.[48] However, the SMB grows with prices rather than wages, and thus affects fewer beneficiaries every year. In December 2018, 35,505 beneficiaries received the SMB, with an average monthly benefit of just over $900.[49] In addition, the SMB is computed based on years of coverage, rather than lifetime earnings. The earnings threshold for a year of coverage in 2019 is $14,805 (by comparison, in 2019 a worker earns four quarters of coverage for traditional Social Security benefits with annual earnings of $5,440). A worker must have at least 11 years of coverage to qualify for the SMB, and the maximum SMB is obtained with 30 years of coverage.

Proposals to improve benefit adequacy by providing an enhanced minimum benefit under Social Security take many forms and may serve to increase retirement income and reduce poverty among some older women and widows. Some proposals would reform the SMB to apply to a larger group of workers with substantial work histories and low earnings. The initial SMB could be tied to wage growth rather than price growth, the amount of earnings required for a year of coverage could be reduced, partial years of coverage could be allowed, and the amount of the SMB could be tied to a fraction of the federal poverty threshold, increasing with the number of years of coverage.[50]

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[47] These and other policy options in the context of both spouses and survivors are also discussed in CRS Report R41479, *Social Security: Revisiting Benefits for Spouses and Survivors*, by Zhe Li.

[48] Program details in this paragraph are drawn from CRS Report R43615, *Social Security: Minimum Benefits*, by Zhe Li.

[49] Social Security Administration, *Annual Statistical Supplement, 2019*, Table 5.A8, https://www.ssa.gov/policy/docs/statcomps/supplement/2019/5a.html#table5.a8.

[50] Testimony of Joan Entmacher, senior fellow, National Academy of Social Insurance, in U.S. Congress, House Committee on Ways and Means, Subcommittee on Social Security, *Protecting and Improving Social Security: Benefit Enhancements*, hearing, 116th Cong., 1st sess., March 13, 2019, https://docs.house.gov/meetings/WM/WM01/20190313/109085/HHRG-116-WM01-Wstate-EntmacherJ-20190313.pdf; Laura Sullivan, Tatjana Meschede, and Thomas M. Shapiro, "Enhancing Social Security for Low-Income Workers: Coordinating an Enhanced Minimum Benefit with Social Safety Net Provisions for Seniors," paper submitted to the National Academy of Social Insurance as part of the project, *Strengthening Social Security for Vulnerable Workers*, 2009, https://www.nasi.org/sites/default/files/research/Sullivan,_Meschede,_Shapiro_January_2009_Rocke.pdf; Melissa Favreault, "A New Minimum Benefit

Others point out that workers with shorter working careers are a larger group at greater risk of poverty in older age and would not be aided by a reformed SMB.[51] Some options to address this group include (1) creating a new basic minimum benefit as a supplement to traditional Social Security benefits for low-income beneficiaries above the FRA and (2) revising the bend points and PIA factors in the traditional Social Security benefit formula to increase benefits for low earners and improve progressivity.[52] Older women and widows from birth cohorts currently of retirement age may be well represented among workers with shorter working careers, given traditional propensities to leave the workforce for raising children and potentially for providing elder care. However, recent research suggests that women's labor force participation patterns are changing, with higher levels of employment early in life, motherhood coming later in life, motherhood's impact on employment lessening, and women working longer at older ages. Among women who worked at some point during their pregnancy, the fraction who reported quitting their jobs around the time of the birth decreased substantially for those having their first child in the early 2000s compared with those having their first child in the 1980s, whereas the fraction taking paid leave increased substantially and the fraction taking unpaid leave remained constant. Cohorts of women born in the 1950s and later are expected to enter their retirement ages with more work experience and more steeply sloped earnings patterns.[53]

Reduced Marriage Duration Requirements for Divorced Spouse and Divorced Widow Benefits

Under current law, a divorced spouse may claim Social Security spouse and/or survivor benefits if the marriage lasted at least 10 years and the person claiming benefits is unmarried. Divorced spouse benefits may be claimed beginning at age 62, whereas divorced survivor benefits may be claimed beginning at age 60 (or age 50 if disabled). Divorced spouses are entitled to the same spouse and survivor benefits as a married spouse, including applicable reductions when benefits are claimed before the divorced spouse's FRA.[54]

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for Low Lifetime Earners," paper submitted to the National Academy of Social Insurance as part of the project, *Strengthening Social Security for Vulnerable Workers*, 2009, https://www.nasi.org/usr_doc/Melissa_Favreault_January_2009_Rockefeller.pdf; Alicia H. Munnell and Andrew Eschtruth, *Modernizing Social Security: Minimum Benefits*, Center for Retirement Research at Boston College, Issue Brief 19-2, 2019, https://crr.bc.edu/wp-content/uploads/2019/01/IB_19-2.pdf; U.S. Government Accountability Office, *Social Security: Options to Protect Benefits for Vulnerable Groups When Addressing Program Solvency*, GAO-10-101R, 2009, https://www.gao.gov/products/GAO-10-101R; and National Commission on Fiscal Responsibility and Reform, *The Moment of Truth*, 2010, https://www.senate.gov/reference/resources/pdf/NationalCommissiononFiscalResponsibilityandReform_Dec012010.pdf.

[51] Testimony of Andrew W. Biggs, resident scholar, American Enterprise Institute, in U.S. Congress, House Committee on Ways and Means, Subcommittee on Social Security, *Protecting and Improving Social Security: Benefit Enhancements*, hearing, 116th Cong., 1st sess., March 13, 2019, http://docs.house.gov/meetings/WM/WM01/20190313/109085/HHRG-116-WM01-Wstate-BiggsA-20190313.pdf.

[52] Testimony of Joan Entmacher in U.S. Congress, House Committee on Ways and Means, Subcommittee on Social Security, *Protecting and Improving Social Security: Benefit Enhancements*, March 13, 2019; Commission on Retirement Security and Personal Savings, *Securing Our Financial Future*, Bipartisan Policy Center, 2016, https://bipartisanpolicy.org/wp-content/uploads/2019/03/BPC-Retirement-Security-Report.pdf. Additional information about bend points and PIA factors in the Social Security benefit formula is provided in CRS Report R43542, *How Social Security Benefits Are Computed: In Brief*, by Barry F. Huston.

[53] Claudia Goldin and Joshua Mitchell, "The New Life Cycle of Women's Employment: Disappearing Humps, Sagging Middles, Expanding Tops," *Journal of Economic Perspectives*, vol. 31, no. 1 (2017), pp. 161-182, https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.31.1.161.

[54] Additional details are available in CRS Report R42035, *Social Security Primer*, by Barry F. Huston, and CRS Report

As shown in **Table 3**, divorced individuals made up 16.6% of the population aged 60 or older in 2017, but 30.7% of the population aged 60 or older in poverty. The poverty rate among all divorced individuals aged 60 or older was 17.6% in 2017 (**Table 4**), and 19.0% among divorced women aged 60 or older (not shown).[55] Two studies found that the fraction of women aged 50-59 and 60-69 who are divorced from a marriage of less than 10 years—and thus not eligible for Social Security divorced spouse and divorced survivor benefits under current law—increased substantially between 1990 and 2004/2009.[56] Since the 1950s, the age of first marriage (among women and men) has increased markedly, whereas the prevalence of divorce doubled between the 1960s and 1970s, with the probability of divorce substantially higher for those with some college or a high school degree compared with college graduates.[57]

Reducing the duration-of-marriage requirement for divorced spouses and survivors, for example to five, seven, or nine years, has been discussed as a way to reduce the poverty rate among this vulnerable population.[58] One study found that, although such a policy change would affect a relatively small fraction of female retirees, the greatest potential income gain (and thus poverty reduction) would accrue to low-income divorced widows with marriages that lasted between five years and nine years.[59]

Increased Benefits for Older Beneficiaries

As noted earlier, women tend to outlive men and remaining cohort life expectancy for a woman attaining age 65 has increased by nearly 2 years over the past 40 years, reaching 21.5 years in 2019 (compared with a greater gain of 4.4 years over the past 40 years for men, reaching 19.0

RS22294, *Social Security Survivors Benefits*, by Zhe Li.

[55] These poverty statistics likely mask substantially higher poverty rates among Social Security divorced spouse beneficiaries, who are a subset of divorced women as identified based on their reported marital status in the CPS data used in **Table 3** and **Table 4**. One study found atypically high incidence of poverty and disabling health conditions prior to old age among Social Security divorced spouse beneficiaries. See David A. Weaver, "The Economic Well-Being of Social Security Beneficiaries, with an Emphasis on Divorced Beneficiaries," *Social Security Bulletin*, vol. 60, no. 4 (1997), pp. 3-17, https://www.ssa.gov/policy/docs/ssb/v60n4/v60n4p3.pdf, and Sharmila Choudhury et al., "Analysis of Social Security Proposals Intended to Help Women: Preliminary Results," Social Security Administration, ORES Working Paper Series Number 88, January 2001, https://www.ssa.gov/policy/docs/workingpapers/wp88.html.

[56] Christopher R. Tamborini, Howard M. Iams, and Kevin Whitman, "Marital History, Race, and Social Security Spouse and Widow Benefit Eligibility in the United States," *Research on Aging*, vol. 31, no. 5 (2009), pp. 577-605, https://journals.sagepub.com/doi/pdf/10.1177/0164027509337196; Howard M. Iams and Christopher R. Tamborini, "The Implications of Marital History Change on Women's Eligibility for Social Security Wife and Widow Benefits, 1990-2009," *Social Security Bulletin*, vol. 72, no. 2 (2012), pp. 23-38, https://www.ssa.gov/policy/docs/ssb/v72n2/v72n2p23.pdf.

[57] Shelly Lundberg, Robert A. Pollak, and Jenna Stearns, "Family Inequality: Diverging Patterns in Marriage, Cohabitation, and Childbearing," *Journal of Economic Perspectives*, vol. 30, no. 2 (2016), pp. 79-102, https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.30.2.79.

[58] Recent examples include Testimony of Joan Entmacher in U.S. Congress, House Committee on Ways and Means, Subcommittee on Social Security, *Protecting and Improving Social Security: Benefit Enhancements*, March 13, 2019; Joan Entmacher, Mikki Waid, and Benjamin W. Veghte, *Overcoming Barriers to Retirement Security for Women: The Role of Social Security*, National Academy of Social Insurance, December 2016, https://www.nasi.org/sites/default/files/research/SS_Brief_49.pdf; and U.S. Government Accountability Office, *Social Security: Options to Protect Benefits for Vulnerable Groups When Addressing Program Solvency*, GAO-10-101R, 2009, https://www.gao.gov/products/GAO-10-101R.

[59] Christopher R. Tamborini and Kevin Whitman, "Lowering Social Security's Duration-of-Marriage Requirement: Distributional Effects for Future Female Retirees," *Journal of Women and Aging*, vol. 22, no. 3 (2010), pp. 184-203, https://www.tandfonline.com/doi/full/10.1080/08952841.2010.495565.

years for men attaining age 65 in 2019).[60] With increased life expectancy comes greater risk of outliving one's non-Social Security retirement resources and, consequently, greater reliance on Social Security benefits. Poverty rates also increase with age, particularly among women (although **Table 5** shows an even higher poverty rate among young widows aged 60-64).[61] Some have outlined a modest longevity increase in Social Security benefits (specified as a percentage of the individual's benefit or a fixed dollar amount within a given retiree cohort) starting around age 80 to 85, or after 18 years to 20 years of benefit receipt.[62] One proposal would target the benefit increase to low-income beneficiaries.[63] Another would provide a delayed annuity for older beneficiaries whose benefit is below some minimum level relative to the federal poverty threshold and increase it with years of covered earnings.[64] Estimates of an option to increase benefits by 5% for beneficiaries aged 85 or older (about 64% of whom are widows) in 2030 point to modest reductions in poverty.[65] Proposals to increase the Social Security cost-of-living adjustment, for example by using the experimental Consumer Price Index for Americans 62 years of age and older (CPI-E) instead of the Consumer Price Index for urban wage earners and clerical workers (CPI-W), also tend to favor older beneficiaries.[66]

Caregiver Credits and Paid Family Leave

Providing earnings credits for periods out of the labor force or with reduced earnings due to caregiving responsibilities has been proposed in many forms. Although not targeted toward widows, such policies would result in enhanced benefits for widows to the extent that the enhanced benefits were available for periods out of the labor force while caring for young children or elderly parents, or perhaps caring for a now-deceased spouse. Women are more likely than men to experience time out of the workforce while raising children. In March 2017, the labor force participation rate was 63.1% for mothers with children under the age of 3, 65.1% for mothers with children under the age of 6, and 76.0% for mothers with children aged 6 to 17. Comparable rates for men were 95.1%, 94.4%, and 91.5%, respectively.[67] Women also are more

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[60] Felicitie Bell, K. Mark Bye, and Michael Morris, *Unisex Life Expectancy at Birth and Age 65, Actuarial Note Number 2019.2*, Social Security Administration, Office of the Chief Actuary, April 2019, https://www.ssa.gov/oact/NOTES/ran2/an2019-2.pdf.

[61] See Figures 4 and 5 in CRS Report R45791, *Poverty Among Americans Aged 65 and Older*, by Zhe Li and Joseph Dalaker.

[62] Alicia H. Munnell and Andrew Eschtruth, *Modernizing Social Security: Helping the Oldest Old*, Center for Retirement Research at Boston College Issue Brief 18-18, 2018, https://crr.bc.edu/wp-content/uploads/2018/09/ib_18-18.pdf; National Commission on Fiscal Responsibility and Reform, *The Moment of Truth*, 2010, https://www.senate.gov/reference/resources/pdf/NationalCommissiononFiscalResponsibilityandReform_Dec012010.pdf.

[63] Joan Entmacher, Mikki Waid, and Benjamin W. Veghte, *Overcoming Barriers to Retirement Security for Women: The Role of Social Security*, National Academy of Social Insurance, 2016, https://www.nasi.org/sites/default/files/research/SS_Brief_49.pdf.

[64] John A. Turner, "Longevity Insurance: Strengthening Social Security at Advanced Ages," paper submitted to the National Academy of Social Insurance as part of the project, *Strengthening Social Security for Vulnerable Workers*, 2009, https://www.nasi.org/research/2009/longevity-insurance-strengthening-social-security-old-old.

[65] Kevin Whitman and Dave Shoffner, "The Projected Effects of Social Security Benefit Increase Options for Older Beneficiaries," Social Security Administration, Policy Brief No. 2013-01, 2013, https://www.ssa.gov/policy/docs/policybriefs/pb2013-01.html.

[66] SSA ORES, *Policy Option Projections – Cost of Living Adjustment Changes – Increase the Cost of Living Adjustment*, https://www.ssa.gov/policy/docs/projections/policy-options/colas.html, accessed November 4, 2019.

[67] U.S. Bureau of Labor Statistics, *Women in the Labor Force: A Databook*, Report 1077, December 2018, Table 5, https://www.bls.gov/opub/reports/womens-databook/2018/pdf/home.pdf.

likely than men to be caregivers, provide more hours of care, and provide more hands-on care.[68] Women caregivers are less likely to be in the labor force than women who are not caregivers, whereas among men, the labor force participation rate for caregivers is essentially the same as the labor force participation rate for noncaregivers.[69]

Options include providing caregivers with a number of dropout years (e.g., up to five years) to be excluded from the Social Security benefit formula, providing earnings credits (e.g., tied to a fraction of the average wage index for a given year or a fraction of the worker's prior earnings) to caregivers for years of caregiving (e.g., up to five years), and supplementing the retired worker benefit for caregivers in households with limited income (e.g., up to 125% of the federal poverty threshold).[70]

Related are ongoing policy discussions about establishing a system for paid family leave, which refers to partially or fully compensated time away from work for specific and generally significant family caregiving needs, such as the arrival of a new child or serious illness of a close family member.[71] The National Defense Authorization Act for Fiscal Year 2020 (P.L. 116-92) conferred a paid parental-leave benefit on certain federal employees covered by the Family and Medical Leave Act of 1993 (P.L. 103-3, as amended). Employer provision of paid family leave in the private sector is currently voluntary, and in March 2019 such leave was available to 18% of private-industry employees, according to data from the Bureau of Labor Statistics.[72] As of January 2020, five states—California, New Jersey, New York, Rhode Island, and Washington State—have active programs. Four additional programs—those in Connecticut, the District of Columbia, Massachusetts, and Oregon—await implementation. Several bills have been introduced in the 116th Congress to establish a national paid family leave program.[73] Some would implement paid family leave through the Social Security program, either by creating a new program component in which covered workers and employers pay into the program and covered workers with periods of qualified caregiving draw benefits from the program, or by allowing

[68] Neena L. Chappell, Carren Dujela, and Andre Smith, "Caregiver Well-Being: Intersections of Relationship and Gender," *Research on Aging*, vol. 37, no. 6 (2016), pp. 623-645, https://journals.sagepub.com/doi/pdf/10.1177/0164027514549258. Steven A. Cohen et al., "Differences within Differences: Gender Inequalities in Caregiving Intensity Very by Race and Ethnicity in Informal Caregivers," *Journal of Cross-Cultural Gerontology*, vol. 34, no. 3 (September 2019), pp. 245-263, https://doi.org/10.1007/s10823-019-09381-9.

[69] Yeonjung Lee and Fengyan Tan, "More Caregiving, Less Working: Caregiving Roles and Gender Difference," *Journal of Applied Gerontology*, vol. 34, no. 4 (2015), pp. 465-483.

[70] Alicia H. Munnell and Andrew Eschtruth, "Modernizing Social Security: Caregiver Credits," Center for Retirement Research at Boston College Issue Brief 18-15, 2018, https://crr.bc.edu/wp-content/uploads/2018/08/IB_18-15.pdf; U.S. Government Accountability Office, *Social Security: Options to Protect Benefits for Vulnerable Groups When Addressing Program Solvency*, GAO-10-101R, 2009, https://www.gao.gov/products/GAO-10-101R; Pamela Herd, "Crediting Care in Social Security: A Proposal for an Income Tested Care Supplement," paper submitted to the National Academy of Social Insurance as part of the project, *Strengthening Social Security for Vulnerable Groups*, 2009, https://www.nasi.org/sites/default/files/research/Pamela_Herd_January_2009_Rockefeller_Project.pdf; Shelley I. White-Means and Rose M. Rubin, "Retirement Security for Family Elder Caregivers with Labor Force Employment," paper submitted to the National Academy of Social Insurance as part of the project, *Strengthening Social Security for Vulnerable Groups*, 2009, https://www.nasi.org/sites/default/files/research/White-Means_and_Rubin_January_2009_Rockefeller.pdf; Joan Entmacher, Mikki Waid, and Benjamin W. Veghte, *Overcoming Barriers to Retirement Security for Women: The Role of Social Security*, National Academy of Social Insurance, 2016, https://www.nasi.org/sites/default/files/research/SS_Brief_49.pdf.

[71] This paragraph draws from CRS Report R44835, *Paid Family Leave in the United States*, by Sarah A. Donovan.

[72] Bureau of Labor Statistics, *National Compensation Survey: Employee Benefits in the United States, March 2019*, Table 31, https://www.bls.gov/ncs/ebs/benefits/2019/employee-benefits-in-the-united-states-march-2019.pdf.

[73] "Recent Federal PFL Legislation and Proposals" section in CRS Report R44835, *Paid Family Leave in the United States*, by Sarah A. Donovan.

eligible caregivers (parents) to receive some months of Social Security benefits in exchange for deferred claiming of retirement benefits to cover the caregiver benefit's costs.

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