

SOCIAL SECURITY CAREGIVERS CREDIT ACT

Why We Need to Act

- Currently, more than 1 in 5 Americans are involved in family caregiving to loved ones who are ill, disabled, or elderly.
- An estimated 53 million of those family caregivers are unpaid and untrained.
- Many family caregivers are forced to leave the workforce entirely or reduce their hours significantly at some point in their career. They make the decision to sacrifice earnings and benefits to care for loved ones, lowering their future Social Security benefit and threatening retirement.
- Studies indicate that total wage, private pension, and Social Security losses due to caregiving range from \$283,716 for men to \$324,044 for women, or more than \$308,000 on average for a caregiver who leaves the workforce.
- Women make up 61% of unpaid caregivers, and studies have found that women can spend as much as 50% more time providing care than male caregivers.
- The National Academies of Science, Engineering, and Medicine found that caregivers of an elderly loved one spent more than 250 hours a month providing care.

What does the Social Security Caregiver Credit Do?

- This bill creates a Social Security earnings credit to caregivers who leave the workforce or reduce their hours to care for a relative.
- The credit would be added to earnings to calculate total deemed wages, which would be used to determine future benefits.
- The credit is progressive, varying on an income-based sliding scale.
- Those individuals who do not have an income could receive a maximum credit, equal to half the average national earnings.
- The credit would decrease in value until it is phased out for those who make the average national wage or more (in 2019, it was \$54,099.99).

Who is Eligible for the Social Security Caregiver Credit?

- This credit is available for anyone who spends at least 80 hours per month providing care to a dependent relative under the age of 12 or a chronically dependent individual.
- A dependent relative or chronically dependent individual qualifies as a child, grandchild, niece, nephew, parent, grandparent, sibling, aunt, uncle, spouse, or domestic partner of the caregiver.
- A chronically dependent individual is a person who cannot perform daily living activities such as eating, bathing, toileting, and dressing without the assistance of a caregiver.
- The caregiver credit could be claimed for up to 5 years, and is retroactive to allow for months prior to enactment.

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