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## Committee for a Responsible Federal Budget Statement for the Record for the Senate Committee on Aging Hearing on “Experience Matters: Seniors and the Workforce” March 25, 2026

Chairman Scott, Ranking Member Gillibrand, and distinguished Members of the Senate Committee on Aging:

Thank you for the opportunity to provide a written statement for the record for the Committee’s March 25 hearing, “**Experience Matters: Seniors and the Workforce.**” We write in support of efforts to promote work and improve solvency, including by repealing Social Security’s Retirement Earnings Test (RET).

Currently, those who collect Social Security prior to the Full Retirement Age (FRA) face an RET that lowers benefits in years with earnings above \$24,480 (indexed), while increasing them in subsequent years. The RET is thus a deferral of benefits that results in [permanently higher payments](#) after the worker reaches the FRA.

Although the RET actually defers rather than reduces payments, many believe it represents a reduction that [punishes earnings and work](#). As a result, research has found the RET [discourages](#) older Americans from working. Some have [remarked](#) that the RET “distorts economic incentives like a tax without raising revenue.”

Repealing the earnings test would thus promote work at older ages and better inform claiming decisions, which would help strengthen economic growth. Continued work at older ages would also help [increase wealth and financial security](#) and has numerous [macroeconomic, fiscal, medical, and social benefits](#).

According to the [Chief Actuary](#) of the Social Security Administration, RET repeal would also modestly improve Social Security solvency – closing about 1% of the program’s 75-year shortfall and 2% of its 75<sup>th</sup> year deficit. Although RET repeal would modestly increase near-term deficits, this represents a shift in the *timing* of payments; repealing the RET would reduce deficits and debt over the long term, in part by promoting work at older ages.

Importantly, repealing the retirement earnings test would make only very modest progress toward addressing Social Security’s looming insolvency and supporting older workers. Much more needs to be done to prevent the automatic 24% benefit cut currently projected to happen in 2032. There are [many well-known options to improve solvency](#) and encourage [productive aging](#) that should also be considered.

We appreciate the work of the Aging Committee to begin discussion of these important topics. Time is running short.