

Social Security Caregiver Credit Act (H.R. 8490/S. 4396)



What does it do?

- ★ The **Social Security Caregiver Credit Act** would allow eligible caregivers to earn Social Security credits for up to five years while providing unpaid care to a dependent child under 12, an aging parent, a spouse, or a family member with a disability.
- ★ Caregivers would need to provide at least 80 hours of unpaid care per month to a family member. Payments received through the Department of Veterans Affairs' Program of Comprehensive Assistance for Family Caregivers would not count as paid care for this purpose.
- ★ In return, for up to five years, these caregivers would receive "deemed wages" for their caregiving years. Those deemed wages would be included in the calculation of their Social Security benefits, replacing up to five years in which they had no earnings.



Why is it needed?

- ★ Taking on the cost and responsibility of caregiving can create financial hardships for family caregivers, such as loss of employment opportunities, reduced retirement savings, and significantly lower Social Security benefit payments.
- ★ Whenever a caregiver steps out of the workforce to care for an aging parent or support a disabled spouse, those years count as \$0 earnings in their 35-year average calculation. Every zero drags down their lifetime Social Security benefits permanently.
- ★ Instead of letting those years count as zero, this bill would assign a level of income to help protect their future Social Security benefits.
- ★ **It ensures caregivers are not penalized for stepping away from the workforce to care for a loved one.**