

The Supporting Essential Workers in Retirement Act

Senators Susan Collins (R-ME) and Sherrod Brown (D-OH)

Background

During the unprecedented COVID-19 pandemic, millions of Americans dutifully stepped up and performed essential work. First responders, supply chain workers, and those employed in manufacturing were asked to put in extra hours in emergency rooms tending to patients, in the cabs of tractor-trailers delivering food, or on the assembly line making masks and COVID tests. They answered the call and should be rewarded for doing so.

Unfortunately, tens of thousands of essential workers nationwide are at risk taking a financial hit for answering the call. Semi-retired individuals who continue to work and earn income are subject to the Retirement Earnings Test (RET), which imposes an earnings threshold above which Social Security benefits are reduced by a formula. Tens of thousands of essential workers in the United States who had taken early retirement agreed to work extra hours at the height of the COVID-19 crisis and, thus, exceeded the earnings threshold because of overtime and hazard pay. Now they must either pay back a lump sum of the excess earnings or take a reduction in benefits for which they did not budget.

The *Supporting Essential Workers in Retirement Act* would simply exempt this unexpected income from the RET and see that any benefits already withheld or lump sums paid back to the SSA are returned to the essential workers who sacrificed on our behalf.

Provisions of the *Supporting Essential Workers in Retirement Act*

- Defines the emergency period as March 13, 2020 to December 31, 2021.
- Defines “essential work” as work that is performed during the emergency period and that is needed to maintain critical infrastructure sectors, and additional sectors as defined by each governor.
- Defines “premium pay” as either additional hazard pay or overtime pay for performing essential work.
- Allows workers to exempt premium pay during the emergency period from the RET, and requires employers to inform employees that they may elect this exemption.
- Requires SSA to repay any lump sum or benefit reduction pay to essential workers who are subject to exemption.