

# Incentives for Older Workers Act

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**Goal:** To give older individuals the opportunity to work longer if they so choose. This bill would improve older workers' retirement security, benefit employers facing a future shortage of experienced workers, increase federal tax revenue, and mitigate a future slowdown in labor force and economic growth. This bill would:

## **Prohibit a Defined Benefit Pension Reduction due to Phased Retirement**

- Removes the penalty under certain defined benefit pension plans that reduces the pension of workers who take a lower salary while reducing their hours in a phased retirement.

## **Allow Delayed Retirement Social Security Credits until Age 72**

- Allows seniors to earn delayed retirement credits for an additional two years until age 72, instead of age 70.

## **Reduce the Social Security Benefit Offset from Certain Earnings**

- Reduces the amount of Social Security benefits lost to seniors who claim their Social Security benefits under the Normal Retirement Age while still working.

## **Create a National Resource Center on Aging and the Workforce**

- Forms a National Resource Center on Aging and the Workforce within the Department of Labor to collect, organize, and disseminate older worker information. This center's work would act as a national information clearinghouse on workforce issues; identify best practices; create toolkits for employers, trade associations, organized labor and not-for-profit employers; distribute information to government planners and policymakers; and provide targeted and ongoing technical assistance to select units of government, private corporations, and nonprofit organizations.

## **Remove the Penalty under the Civil Service Retirement System for Part-time Service**

- Changes the computation of Civil Service Retirement System (CSRS) annuities involving part-time service by correcting an anomaly that is a disincentive for employees nearing the end of their careers who would like to phase into retirement by working part-time schedules.

## **Improve the Workforce Investment Act (WIA) for Older Workers**

- Requires states to include older worker representatives on the state and local workforce investment boards and set aside five percent of WIA funds for older individuals.

## **Expand Eligibility of the Work Opportunity Tax Credit (WOTC) to Include Older Workers**

- Modifies the WOTC to allow credit for employers that hire older workers whose income is below the 125 percent of poverty threshold.

## **Clarify Normal Retirement Age**

- Allows the continuation of existing defined benefit plans that define normal retirement age as the earlier of an otherwise permitted age or the attainment of 30 or more years of benefit accrual service.