



U.S. SENATE SPECIAL COMMITTEE ON AGING

AGING ACTION REPORT

FROM RANKING MEMBER TIM SCOTT

DEAR FRIEND,

This month I held a hearing titled, "A Financially Secure Future: Building a Stronger Retirement System for All Americans." Every American deserves the ability to retire and live out their dreams for their golden years. During this hearing we heard how auto portability is crucial to eliminating retirement account "leakage" that occurs as roughly 15 million retirement plan participants move from one job to another every year.

At the hearing, I released a report titled, "The American Dream in our Golden Years: Improving Retirement Security and Building Independence." The report addresses the gaps and trends in our retirement system and proposes solutions to help all Americans.

RANKING MEMBER TIM SCOTT



AGING HEARING DEBRIEF: A FINANCIALLY SECURE FUTURE: BUILDING A STRONGER RETIREMENT SYSTEM FOR ALL AMERICANS

On Thursday, October 28th, RM Tim Scott and the Senate Committee on Aging held a hearing discussing current trends and gaps in the retirement system, along with ways that it can be improved. During the hearing, RM Scott announced his bill, The Senior Citizens' Freedom to Work Act, which would remove the Retirement Earnings Test (RET) and simplify the decision-making process for aging Americans. Scott released a report titled "The American Dream in our Golden Years: Improving Retirement Security and Building Independence" during the hearing that evaluates the current trends and gaps in retirement savings. He also recently joined a resolution making October "National Retirement Security Month" to encourage Americans to evaluate their retirement plans as they grow older. The RM listened to a panel of witnesses who discussed ways to help all Americans retire comfortably after a lifetime of work.

The committee heard from South Carolina resident, J. Spencer Williams, who runs Retirement Clearinghouse, a financial technology ("fintech") company focused on retirement savings. Williams testified on account "leakage" and the ways that auto portability is increasing retirement security for Americans.

SENIOR CITIZENS' FREEDOM TO WORK ACT OF 2021 BILL

RM Scott introduced the Senior Citizens' Freedom to Work Act, S.3101, along with Senator Marco Rubio (R-Fla.) during his hearing, "A Financially Secure Future: Building a Stronger Retirement System for All Americans."

This bill would eliminate the Social Security Retirement Earnings Test (RET). The RET is a confusing work deterrent because it forces Social Security recipients to choose between earning more than \$18,960 a year and receiving all of their Social Security benefits. This happens because the RET reduces a senior's benefits until they hit full retirement age, which is 65-67 depending on when a person was born. Seniors know the RET cuts their benefits, but not everyone knows that they will eventually get their benefits replaced over time. Repealing the RET will give these older Americans the flexibility they need and encourage work participation.



REPORT ON "THE AMERICAN DREAM IN OUR GOLDEN YEARS: IMPROVING RETIREMENT SECURITY AND BUILDING INDEPENDENCE"

On Thursday, October 28, RM Tim Scott released the report, "The American Dream in our Golden Years: Improving Retirement Security and Building Independence," which looks into the gaps and trends in America's current retirement system. Research shows that, while there are areas for improvement, the vast majority of Americans are doing relatively well and are prepared for retirement. The report also reviews recent reforms and proposals, like building on the SECURE Act through SECURE Act 2.0, which would strengthen America's retirement system. Helping seniors become more secure in their retirement plans allows them to build independence as they live out their golden years.

The American Dream in our Golden Years:

Improving Retirement Security and Building Independence

Ranking Member Tim Scott of South Carolina
UNITED STATES SENATE SPECIAL COMMITTEE ON AGING

RESOLUTION CREATING "NATIONAL RETIREMENT SECURITY MONTH"

RM Scott joined Sens. Cardin, Collins, Murray, Young, Hassan, and Barrasso on a resolution to recognize October 2021 as National Retirement Security Month, highlighting retirement savings gaps, the importance of saving, and financial literacy.

The goal of this resolution is to raise public awareness about the importance of saving for retirement. National Retirement Security Month provides an opportunity for Americans to reflect on their retirement goals and evaluate their ability to reach those goals.



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THE SWEET TEA

Reasons to Retire in South Carolina:

- Social Security benefits are not subject to state income taxes
- Seniors can deduct up to \$10,000 in qualifying retirement income
- Seniors can deduct up to \$15,000 for all taxable income (\$30,000 if filing jointly)
- Military retirement plan tax break
- Among the lowest property taxes nationwide
- Seniors can claim a homestead exemption
- No estate or inheritance tax



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