BACKGROUND ON **REP. LOWEY’S SOCIAL SECURITY CAREGIVER CREDIT ACT**

**Why should there be a caregiver credit?**
Many Americans sacrifice earnings to provide care to loved ones at some point in their career, which lowers their future Social Security benefit and jeopardizes retirement.

**What does the bill do?**
The bill would create a credit that would be added to earnings to calculate total deemed wages, which would be used to determine future benefits. This is particularly beneficial for women, who are more likely to provide care and are at greater risk of economic insecurity.

**How much is the credit worth?**
The credit is progressive and varies on an income-based sliding scale. Those who don’t have an income could receive a maximum credit, worth half of the average national earnings, which would decrease in value until it phased out for those making the average wage. This chart, which uses the 2012 national average wage index of $44,320 as a benchmark, illustrates the deemed wages that would be credited.

![Graph showing caregiving credit progression](image)

In this example, an individual with $22,160 in earnings would receive a credit worth $11,080 for a total deemed wage of $33,240 for the year, and an individual with $33,240 in earnings would receive a credit worth $5,540 for a total deemed wage of $38,780 for the year.

**Who is eligible?**
Anyone who spends at least 80 hours a month providing care to a dependent relative under the age of 12 or a chronically dependent individual is eligible to claim the credit, for up to 60 months.

**Who supports the bill?**
Congresswoman Lowey’s bill closely resembles a proposal from the Older Women’s Economic Security Task Force and Center for Community Change.