

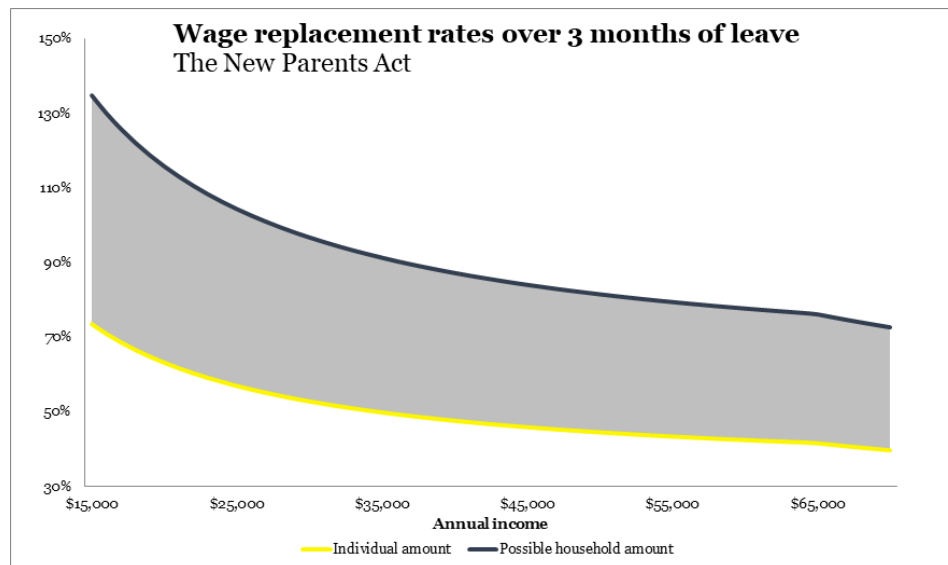


## WHAT IT DOES

- Parents of a new child have the option to pull forward a portion of their Social Security benefits to use for paid parental leave after the birth or adoption of a child.
- Parents taking the option can choose a Social Security benefit of one, two, or three months to finance parental leave.
  - The benefit amount is large enough that nearly all parents below the median household income of about \$60,000 will be able to take significant leave at a rate of two-thirds of their prior wages.
  - Many parents, especially those with low incomes, will be able to finance longer than three months of leave with the benefit.
- “Stay-at-home” parents with an earnings history that meets eligibility requirements will also be able to take the option.
- Parents taking the option will choose to either:
  - Increase their Social Security retirement age by 3 to 6 months per benefit taken; or
  - Receive a proportionate reduction in monthly retirement benefits for the first 5 years of retirement, as determined by the Social Security Administration (SSA) each year.

## HOW IT WORKS

- Expectant parents will file an application with the SSA. Upon verification of the parent’s eligibility, the SSA will notify parents of their expected eligibility for the parental leave benefit.
- Approved parents will provide the SSA with additional documentation after the birth or adoption of the child, and upon verification the SSA will remit the parental leave benefit.
- The benefit will be delivered in one, two, or three monthly payments based upon the benefit amount chosen by the parent.



\*The gray area represents the range of possibilities under a transferable benefit, assuming spouses earn equivalent incomes and the spouse taking the lower period of leave takes leave for 2 weeks.

\*\* All amounts assume annual income is stable in inflation-adjusted terms in the years preceding birth. Actual amounts will vary depending on the variance of the individual’s income in the years preceding birth.