

# Removing the Disincentives for Long Careers in Social Security

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## **Abstract**

In this paper, the authors examine the disincentives for long careers created by Social Security. The structure of these programs imposes high implicit tax rates on workers late in their careers. As a result of this distortion, the authors believe retirements are suboptimally long. The consequences of this distortion are significant: a lot of the stress on public and private pension systems is caused by the increased length of retirement. The authors also outline ways to reduce or eliminate the implicit taxes on long careers and working at older ages. The potential benefits of a larger work force for Social Security and Medicare (and GDP) are significant.