



Social Security Windfall Elimination Provision

On September 27, 2019, Representative Richard Neal (D-MA) introduced the Public Servants Protection and Fairness Act (H.R. 4540), which would modify the Social Security windfall elimination provision (WEP).

The WEP provision, which passed into law in 1983, claws back the Social Security benefits of people who worked for a period-of-time in public sector jobs not covered by Social Security.

Twenty-five percent of public employees nationwide, or nearly 1.9 million retired federal, state and local government employees who worked as teachers, police, firefighters, postal workers and general employees, are affected by the WEP provisions.

Public Servants Protection and Fairness Act (H.R. 4540)

H.R. 4540 would allow public servants to keep a larger share of their earned Social Security benefits. It would modify the WEP Primary Insurance Amount (PIA) funding formula. Retired public sector workers who have been subject to the WEP would receive \$150 per month.

Maintains Exemptions

Currently, workers with more than 30 years of covered Social Security service and those not receiving a pension are exempt from the WEP reductions. H.R. 4540 does not change those exemptions.

Future Retirees

H.R. 4540 provides a fairer funding formula for future retirees. The majority of beneficiaries would receive a \$75/month/\$900 per year increase in Social Security benefits. Future retirees who would have received higher benefits under the current WEP formula would instead receive that higher benefit amount.

Protects Social Security Trust Fund

Funding to correct the WEP formula will come from general revenue and thus, will not affect balance of the Social Security Trust Fund.