



Social Security Fairness Act

On January 4, 2021, Representative Rodney Davis (R-IL) introduced the Social Security Fairness Act (H.R. 82), which would repeal the Social Security Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). The WEP and GPO provisions claw back the Social Security benefits of workers or their spouse or widow(er), if they worked for a period of time in jobs not covered by Social Security.

The Windfall Elimination Provision

The WEP reduces the Social Security benefits of a public sector worker who collects a pension from a job not covered by Social Security. Four percent of retired workers or nearly 2 million retirees were affected as of December 2019. These workers are retired federal, state and local government employees who worked as teachers, police, firefighters, postal workers and general employees. While the WEP provision intended to reduce over-generous Social Security payments, the adjustment formula has no way to differentiate between a high paid public sector worker and a low paid worker. The effect is that it reduces benefits disproportionately for lower-income households.

The Government Pension Offset

The GPO reduces the spousal or survivors Social Security retirement benefits of a worker who collects a public pension from a job not covered by Social Security. The individual's Social Security spousal or survivors benefits are reduced by two-thirds of the amount of their government pension.

The reduction is recalculated each year, when the retiree receives a cost-of-living increase in their pension, further reducing the benefit. In some cases, if two-thirds of the individual's government pension is greater than their spousal benefits, their Social Security spousal benefits are reduced to zero. As of December 2019, 707,879 Social Security beneficiaries had spousal or survivors benefits completely eliminated or partially reduced by the GPO. The GPO has a particularly harsh effect on moderate-and low-income pensioners, especially women, who represent eighty-three percent of those affected by the GPO and are more likely to fall into poverty as they age.

Some beneficiaries are subject to both the WEP and the GPO. As of December 2018, 263,775 Social Security beneficiaries were affected by both the WEP and the GPO.

Which public sector workers are affected?

- Many teachers in 15 states—Alaska, California, Colorado, Connecticut, Georgia, Illinois, Kentucky, Louisiana, Massachusetts, Maine, Missouri, Nevada, Ohio, Rhode Island and Texas
- Many state, county, city and special district employees around the country
- Federal employees (hired before January 1, 1984) who are on the CSRS retirement system in every state
- Retirees in every state who worked in the jobs mentioned above