The Case For Repeal of the Punitive Government Pension Offset & Windfall Elimination Provision

SUMMARY: Even though public employees and/or their spouse, have paid the required Social Security contributions, their Social Security benefits may be cut by thousands of dollars or entirely eliminated. It is not uncommon to be penalized by both the GPO and the WEP.

Explanations of the GPO and the WEP, two Social Security Offsets

The Government Pension Offset (GPO) Public employees may be penalized by the Government Pension Offset and lose a portion of, or even all their earned Social Security retirement benefits if:

• Their spouse of at least ten years has earned Social Security retirement benefits and they are entitled to spousal benefits. They are penalized by the Government Pension Offset (GPO) when they begin to collect their pension from a “non covered” public position.
• They will probably lose all the benefits due them as a dependent spouse--- a non-working spouse normally receives, in addition, an Social Security payment equal to half that of the Social Security earner.
• They will lose at least part of or, more often, all of the Social Security retirement payments that normally go to the widow/er, who is entitled to 100% of the earner’s benefit.

Medicare premiums are higher if they lose all Social Security benefits. They will be denied the $255 burial payment sent by the Social Security Administration to other bereaved families, if they are a widow/ widower with a government pension.

The Windfall Elimination Provision (WEP): Public employees may be penalized by the Windfall Elimination Provision and lose up to 60% of your earned Social Security retirement benefits if: They have had two jobs: one in which they paid Social Security taxes and therefore earned their own Social Security credits and another job in which they did not pay Social Security taxes. (This later job is referred to as “non-covered” public employment).

Why the GPO and the WEP are unjust

The GPO/WEP are based on faulty assumptions. The offsets were based on a decision to treat pensions from certain public positions as if they were the same as Social Security
benefits, despite the fact that these “non-covered” state and local positions have nothing to do with Social Security.

- **Error One: These public agency pensions were earned separately** and differently from Social Security, yet they are used to reduce the amount of Social Security benefits that a worker receives during retirement. When participation is required by both Social Security and also State and local pensions, the public pension is earned and collected separately. Therefore, it should have no effect on Social Security benefits earned elsewhere.

- **Error Two: The GPO/WEP formulas are arbitrary and inconsistent.** Social Security and public agency pension benefits are treated differently by Federal tax law. While federal income tax is collected on public agency pensions, Social Security benefits are sheltered, often completely, from this tax. State community property laws may treat them differently, also. Due to these two differences, a public pension should not be used to offset the amount of Social Security earned elsewhere.

---

**Unintended/Undesirable Consequences of the GPO/WEP**

- **Loss in earned benefits is severe**, often resulting in substantial lifestyle reductions and even poverty, for formerly productive working citizens of middle/low class.

- **GPO: 74% percent of those affected by GPO lose their entire spousal benefits.** According to the 2013 Congressional Research Service Report, in December of 2011 the average yearly public pension for those affected by the GPO was $24,780. For a person with this average pension, the GPO resulted in an annual loss of more than $6,876 in earned Social Security benefits. Few people can sustain a loss of that much money in retirement. Older workers often have pensions that pay half that amount, and they still lose the same percentage of their deserved Social Security retirement benefits. It is possible for one’s spouse to pay Social Security taxes of as much as $90,000 and yet their survivor may receive nothing from what was a contribution of joint marital income.

- **WEP: The WEP was not designed to affect the middle or low wage earners that it can deeply penalize.** WEP cuts to earned benefits are substantial, commonly causing serious lifestyle reductions. Someone with a pension of only $900 a month from a “non-covered” government job can have his/her earned monthly Social Security benefits cut from $600 to $300.

- **The GPO, particularly, represents discrimination against women.** The GPO currently penalizes more than one half million retirees; 79% of them are women. Of those affected by the GPO, the average non-covered government pension for men was
$961 more per month than the pension paid to women. The women affected often have lower pensions to start with, and then the Government Pension Offset reduces their Social Security benefits by even more, an average of $7,308 a year for women, as opposed to $5,148 a year for men. (Congressional Research Service Report 1/8/2013)

GPO/WEP Penalties Are Not Well Publicized

直到最近，没有法律要求通知雇员关于GPO/WEP的后果。

直到最近，没有法律要求通知雇员关于GPO/WEP的后果。大型的当前公共雇员从未被告知他们的公共服务工作正在危及他们的已经赚取的社保利益。要求新雇员通知WEP/GPO的法律只在2005年生效。一个工人必须被告知这些减项是出于什么目的，但是除非社会保障署或政府雇主充分地公开这些减项的法律，否则这些人可能仍然不理解他们的长期财务影响。

WHO IS PENALIZED?

美国三分之一的教师在被WEP/GPO减损的州任教。这是一个明显的负面影响，对于考虑到教学作为职业的人们。随着每个学年结束，我们的国家总是需要更多的高质量的新教师。为了提供一个竞争性的教育系统，我们应该吸引更多想要从事第二职业和年青人。用减损来打消他们是愚蠢的。

联邦雇员在1984年之前雇佣，和29%的州和地方政府雇员：这些包括第一响应者—消防员和警察人员——可能来自军队，以及教师、图书管理员、空中交通管制员、秘书和其他人，他们的完全赚取的社保从以前的工作将被削减，当他们退休。

SOLUTION:

消除GPO/WEP的8-100亿美元成本相对于与社保退休金的总支付量来说是微不足道的。

消除GPO/WEP的年估计成本占总体社保支付的不到2%。根据信托基金信息网站www.ssa.gov的估计。

THE COST OF NOT REPEALING THESE LAWS IS TO CONTINUE A GROSS GOVERNMENTAL INEQUITY!