



NRLCA FACT SHEET

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Government Pension Offset/Windfall Elimination Provision

Federal employees covered by the Civil Service Retirement System (CSRS) retiring December 1982 and later are affected by the Government Pension Offset (GPO). The GPO reduces or eliminates the Social Security spousal or survivor benefits for which a federal retiree may be eligible based on the Social Security record of his or her spouse. One of the rules of the Social Security system is that a person cannot receive both his/her own earned benefit plus a full spousal benefit. Therefore, a retiree's Social Security "spousal" benefit is cut by an amount equal to two-thirds of the retiree's CSRS annuity.

In 1983, Congress created the Windfall Elimination Provision (WEP), which changed the formula for computing Social Security benefits to provide a higher return for low-wage earning workers. The WEP reduces the Social Security benefit of those who receive an annuity from an employment system in which they did not pay Social Security taxes.

In some cases, WEP can reduce an employee's earned Social Security benefit by 55 percent. When benefits are calculated, the earnings are separated into three parts, which are multiplied using three different factors. The impact of WEP increases by 5 percent for each year of substantial earnings fewer than 30 years. It bottoms out for anyone who has 20 or fewer years of substantial earnings.

The WEP applies to anyone who turns 62 (or becomes disabled) after 1985, AND becomes eligible for his/her government annuity after 1985. There are approximately 635,000 beneficiaries currently affected by the WEP and that number grows by nearly 60,000 annually.

Several individuals are exempt from the WEP:

- Anyone with 30 or more years of substantial earnings under Social Security
- Any federal worker hired after December 31, 1983, or a federal worker performing service as of January 1, 1984, who received mandatory coverage under Social Security after January 1, 1984
- Anyone over age 65 still working for the federal government

During previous Congresses, there have been many attempts to fashion legislation to address this unfair law, with the introduction of 8 separate bills which would either modify or eliminate the provisions in the 110th Congress alone. Rep. Howard Berman (D-CA) has introduced legislation to repeal the GPO/WEP with H.R. 235, in the House of Representatives. Senator Dianne Feinstein (D-CA) has introduced her companion bill in the Senate, S. 484, to repeal GPO/WEP.

NRLCA Position

We urge members of both the House and Senate to cosponsor GPO/WEP legislation if they have not, and thank those Members of Congress who are currently cosponsoring GPO/WEP.

If you have any questions, please contact Paul Swartz (Senate) or Kevin Talley (House).