



WHAT IS THE GOVERNMENT PENSION OFFSET (GPO)?

- ❖ The Government Pension Offset is a Social Security provision that penalizes individuals who apply for Social Security spousal or survivor benefits, if they themselves worked for a state or local government in non-SS-covered employment and are entitled to a government pension from that employment. Once they receive that benefit, their earned Social Security spousal or survivor benefits will be reduced by two-thirds of their non-SS-covered pension.

WHAT IS THE WINDFALL ELIMINATION PROVISION (WEP)?

- ❖ The WEP penalizes those who have had two jobs: One job which entitles them to a Social Security retirement or disability benefit from work which paid the required SS taxes and a second job which did not pay Social Security taxes, but instead entitled them to a pension from a separate pension system. The Windfall Elimination Provision affects individuals who apply for their own (not spousal) Social Security benefits. If you do not have 30 years of “substantial income” in Social Security covered work, a complex formula will significantly reduce your benefit. The reduction may be no more than one-half of the government pension to which the person is entitled in the initial month of entitlement to the pension.

WHO IS PENALIZED BY GPO/WEP?

- ❖ Police officers, firefighters, postal workers, air traffic controllers, teachers (in 15 states), federal government employees (hired before 1983 -CSRS), and some state, county, local & special district workers are penalized by GPO/WEP. Even a foreign pension can reduce or eliminate Social Security benefits.

IN WHICH 15 STATES ARE TEACHERS PENALIZED BY GPO/WEP?

- ❖ They are Alaska, California, Colorado, Connecticut, Georgia*, Illinois, Kentucky*, Louisiana, Maine, Massachusetts, Missouri, Nevada, Ohio, Rhode Island*, and Texas.

IN WHICH 26 STATES ARE STATE, COUNTY, MINICIPAL, AND SPECIAL DISTRICT EMPLOYEES PENALIZED BY GPO/WEP?

- ❖ GPO: According to the Congressional Research Service report in 2013, 568,000 had their spousal benefits reduced by the GPO — 1 percent of all beneficiaries (not counting those who did not apply). Of those people penalized by GPO, 80 percent are women and of those women, 74 percent lose their entire Social Security benefit.
- ❖ WEP: According to the Congressional Research Service report in 2013, about 1.4 million Social Security beneficiaries were penalized by the WEP. About 1.3 million people (92 percent) affected by the WEP were retired workers. About 2.5 percent of all Social Security beneficiaries (including disabled and spouse beneficiaries), and about 3.5 percent of all retired worker beneficiaries, were affected by the WEP. Of retired workers affected by the WEP, approximately 63 percent were men.

LULAC SUPPORTS ADDRESSING THE OFFSETTS THROUGH CONGRESSIONAL ACTION

- ❖ Addressing the offsets requires congressional action. LULAC supports legislation like the one introduced by Senator Sherrod Brown, S.1651 that would repeal both the GPO and the WEP.

(Source: <http://www.ssfairness.com/gpo-wep-faq/>)