



National Association of Government Employees, SEIU/NAGE Local 5000

SEIU/NAGE Supports the Social Security Fairness Act (H.R. 235/S. 484)

Position: The Government Pension Offset (GPO) and Windfall Elimination Provision (WEP) are amendments to Title II of the Social Security Act that negatively impact many government employees and their spouses. The essential effect of these provisions is to penalize government retirees who are drawing government pensions and still qualify for social security. The bipartisan Social Security Fairness Act, H.R. 235/S. 484, will eliminate both the GPO and WEP to ensure that impacted federal and public sector employees and their survivors are rightfully compensated for their contributions to the social security system. SEIU/NAGE strongly supports this legislation.

Background:

The GPO lowers an individual's social security benefit, and in some cases eliminates it entirely, if an individual is a government retiree eligible for a pension based on their own government employment during which social security taxes were not withheld, and has a spousal benefit based on their spouse's years of service during which social security taxes were withheld. When the GPO is applied, with few exceptions, the government employee's social security benefit is reduced by an amount equal to two-thirds of the amount of their pension.

The WEP significantly lowers an individual's social security benefit if they are a government retiree eligible to receive a pension based on their government service during which social security taxes were not withheld, and also qualify for social security benefits based on work they performed outside of their government service where their employer did withhold social security.

These provisions apply only to public pensions not covered under social security. Recipients of private pensions and other public pensions covered by social security are not subject to these penalties. These social security benefit reductions have had devastating consequences for low- and middle-income public employees in these retirement plans. The average reduction is over \$300 a month—a significant amount of money for a retiree on a fixed income.

The GPO and WEP are unfair to individuals who have paid into social security (the WEP provision) or whose spouses have paid into social security (the GPO provision). Denying full social security benefits is nothing more than an underhanded way to cheat public servants out of their hard-earned retirement.

The Social Security Fairness Act (H.R. 235/S. 484) will eliminate both the GPO and WEP to ensure that retirees on government pensions and their survivors are rightfully compensated for their contributions to the social security system. SEIU/NAGE strongly supports this legislation.