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H.R. 141/S. 521, the “Social Security Fairness Act” *Repealing the Windfall Elimination Provision and Government Pension Offset*

The FOP strongly supports the passage of *H.R. 141/S. 521, the “Social Security Fairness Act,”* legislation which would fully repeal both the “Windfall Elimination Provision” (WEP) and the “Government Pension Offset” (GPO) in current Social Security law.

The WEP was enacted in 1983 as part of a large reform package designed to shore up the financing of the Social Security system. It went into effect in 1985 and applies a modified formula designed to reduce the amount of the Social Security benefits received by individuals who collect a government pension. The ostensible purpose of the WEP is to remove a “windfall” for persons who spent some time in jobs not covered by Social Security (like public employees) and also worked other jobs where they paid Social Security taxes long enough to qualify for retirement benefits. The practical effect of the provision on low-paid public employees outside the Social Security system is that they lose up to sixty percent (60%) of the Social Security benefits to which they are entitled—this is a loss, not an adjustment for a “windfall.” This creates a very real inequity for many public employees, particularly police officers who retire earlier than other government employees and begin second careers which require them to pay into the Social Security system.

We regard this as an issue of fairness, as these public employees are unfairly penalized under current law. The WEP substantially reduces a benefit that workers had counted on when planning their retirement. The arbitrary formula, when applied, does not eliminate “windfalls” because of its regressive nature—the reduction is only applied to the first bracket of the benefit formula and causes a relatively larger reduction in benefits to low-paid workers. It also overpenalizes lower paid workers with short careers or, like many retired law enforcement officers, those whose careers are evenly split inside and outside the Social Security system.

Like the WEP, the GPO was adopted in 1983 to shore up the finances of the Social Security Trust Fund. It offsets the dependent’s Social Security benefit to which a spouse or widow(er) is entitled by two-thirds of the monthly amount of any government pension from noncovered employment that the surviving spouse might receive. For example, the wife of a retired law enforcement officer who collects a government pension of \$1,200 would be ineligible to collect the surviving spousal benefit of \$600 from Social Security upon the death of her spouse. Two-thirds of \$1,200 is \$800, which is greater than the spousal benefit of \$600 and thus, under this law, she would be unable to collect it. If the spouse’s benefit was \$900, only \$100 could be collected, because \$800 would be “offset” by her government pension.

Again, the FOP believes this is a matter of fairness and that the offset scheme currently in place penalizes those employees least able to afford it.