

# Roundup of GPO-WEP Bills Introduced in the 110th Congress

**N**ARFE supports several pieces of legislation pending before Congress to address two Social Security “offsets”—the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP)—that unfairly reduce the Social Security benefits of many federal retirees and those of other public sector retirees, including teachers, police, and state and county workers.

Civil Service Retirement System (CSRS) annuitants can be subject to both the GPO and WEP, while Federal Employees Retirement System (FERS) retirees can only be affected by the WEP if some portion of their annuity is based on CSRS service. FERS retirees cannot be subject to the GPO based on their FERS annuity.

NARFE’s Legislative Program for the current 110th Congress (2007-2008) states that “NARFE supports the repeal or reform of the GPO and WEP.”

## REPEAL LEGISLATION

Two bills that would eliminate the GPO and WEP are preferred by those affected. (See NARFE magazine, March 2007, p. 16, for more information.) These bills are:

- **S. 206**, introduced by Sen. Dianne Feinstein, D-CA, and Sen. Susan Collins, R-ME;
- **H.R. 82**, introduced by Rep. Howard Berman, D-CA, and Rep. Buck McKeon, R-CA.

NARFE urges all members to contact their three legislators (two senators, one representative) to ask them to support these bills.

## REFORM BILLS

Several bills would change, but not eliminate, the offsets.

### **Bills to modify the GPO are:**

- **S. 1254**, introduced by Sen. Barbara Mikulski, D-MD, and Sen. George Voinovich, R-OH;
- **H.R. 2988**, introduced by Rep. Al Wynn, D-MD.

These GPO modification measures would exempt individuals whose combined monthly income (pension and Social Security) is less than \$1,200, adjusted for inflation, from the GPO. NARFE supports the Mikulski-Wynn legislation as a first step toward providing relief from the GPO. (See NARFE magazine, July 2007, p. 14,

for more information.)

- **H.R. 1090**, introduced by Rep. Ron Lewis, R-KY.

Section 207 of this bill would replace the current two-thirds formula offset with a one-third offset, thereby reducing the amount of Social Security benefits offset by the GPO.

NARFE supports the Section 207 proposal to reduce the GPO offset formula. However, NARFE’s Legislative Program opposes “replacing any portion of Social Security benefits with private individual accounts” and, therefore, does not support the underlying provisions of the bill.

### **Bills to modify the WEP are:**

- **H.R. 726**, introduced by Rep. Barney Frank, D-MA.

This bill would exempt individuals whose monthly combined income (pension and Social Security) is less than \$2,500 from the WEP. A graduated WEP would apply for individuals whose monthly combined income ranges between \$2,500 and \$3,334 (adjusted for inflation). (See NARFE magazine, July 2007, p. 14, for more information.)

NARFE supports this measure as a first step toward providing relief from the WEP.

- **S. 1647**, introduced by Sen. Kay Bailey Hutchison, R-TX;
- **H.R. 2772**, introduced by Rep. Kevin Brady, R-TX.

This legislation would continue the current WEP for CSRS workers and CSRS and FERS annuitants presently affected. The measure institutes a new offset for new workers in non-Social Security-covered employment, who potentially could lose more in Social Security benefits than under the current WEP.

The legislation seeks to capture a worker’s entire history of earnings—work performed under Social Security and work not covered by Social Security, such as CSRS earnings—for inclusion in the calculation used for determining an individual’s Social Security benefit. Low- and medium-income earners would get increased benefits, but high-wage earners would receive a decreased benefit. Future public sector retirees with more than 30 years of Social Security earnings—who are exempt from the WEP under current law—would be affected by this new offset. Those already retired and affected by the WEP could ask for a re-calculation under this new formula and receive the highest resulting amount. NARFE has no position on this legislation.

*By Jill Crissman, Legislative Representative*

# GPO-WEP Facts and Figures

The following facts and figures on the GPO and WEP were compiled and recently updated by the Congressional Research Service, an agency of the Library of Congress. NARFE members can use this information in their advocacy efforts.

- As of June 2004, a total of **401,207 Social Security beneficiaries were affected by the GPO**, constituting about 1 percent of all Social Security beneficiaries. Of those affected, 42 percent were widows or widowers; about 75 percent were women. The average offset was \$409 per month (\$444 for women, \$306 for men). About 85 percent of those affected lost their entire spousal Social Security benefits.

- As of December 2006, a total of **971,310 Social Security recipients were affected by the WEP**, about 2 percent of

the total Social Security population. Of those affected, 65 percent were men. Approximately 73 percent of WEP-affected individuals had 20 or fewer years of Social Security coverage; 19 percent had 21 years or more of coverage.

- The Social Security program currently covers approximately 96 percent of all U.S. workers. About 29 percent of state, local and federal government workers hired before 1984 do not currently pay Social Security payroll taxes. For Social Security purposes, these employees are referred to as “non-covered employees.” As of 2005, 6.8 million federal, state and local government employees were “non-covered employees,” with federal employees representing about 645,000 of the total. These non-covered employees may be subject to the GPO and WEP in the future. ■

## Social Security Beneficiaries Affected by GPO and WEP

The chart below lists the number of GPO- and WEP-affected individuals by state, including federal, state and local government retirees. The GPO figures are as of June 2004; the WEP figures are as of December 2006. The information was compiled and reported by the Congressional Research Service of the Library of Congress.

	Affected by GPO	Affected by WEP		Affected by GPO	Affected by WEP
Alabama	3,697	13,477	Nebraska	1,030	3,664
Alaska	1,331	4,600	Nevada	4,396	12,230
Arizona	5,052	17,579	New Hampshire	1,278	4,326
Arkansas	2,332	7,788	New Jersey	4,231	14,984
California	57,878	120,458	New Mexico	4,466	8,428
Colorado	12,864	27,957	New York	7,915	21,889
Connecticut	4,807	8,742	North Carolina	4,816	17,855
Delaware	348	2,191	North Dakota	420	1,810
DC	2,589	5,995	Ohio	55,442	70,599
Florida	17,693	56,471	Oklahoma	3,143	12,397
Georgia	10,087	27,497	Oregon	3,113	9,643
Hawaii	1,691	6,214	Pennsylvania	7,268	23,640
Idaho	1,004	4,147	Rhode Island	1,221	3,017
Illinois	25,821	49,565	South Carolina	3,033	11,114
Indiana	3,377	9,805	South Dakota	707	2,645
Iowa	1,541	5,712	Tennessee	4,082	12,642
Kansas	1,771	6,100	Texas	44,288	80,990
Kentucky	5,688	12,283	Utah	1,816	8,556
Louisiana	18,234	18,299	Vermont	458	1,715
Maine	3,906	8,644	Virginia	6,870	32,442
Maryland	7,561	30,674	Washington	4,113	18,575
Massachusetts	18,697	32,140	West Virginia	999	4,305
Michigan	4,341	12,139	Wisconsin	2,662	8,028
Minnesota	5,462	12,114	Wyoming	382	1,620
Mississippi	2,048	6,624	Outlying areas/ foreign countries	6,057	53,094
Missouri	8,320	20,342			
Montana	861	3,545	<b>TOTAL</b>	<b>401,207</b>	<b>971,310</b>