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The Social Security Fairness Act: What You Need to Know

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For decades, the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) have significantly shaped retirement outcomes for millions of Americans, particularly public servants like teachers, police officers, and firefighters. Initially designed to adjust Social Security benefits for individuals with pensions from non-covered employment, these provisions aimed to promote fairness and reduce the financial strain on the Social Security system. However, their impact has been profound, often leaving retirees with benefits far lower than expected.

The Social Security Fairness Act (HR 82), which repeals the WEP and GPO, was signed into law on January 5, 2025, and is retroactive to January 1, 2024. This change means individuals can expect adjustments to their benefit payments once all the details are finalized. Why were these provisions so controversial, and what does their repeal mean for those affected? Let's unpack their details and implications.

UNDERSTANDING THE WINDFALL ELIMINATION PROVISION: HOW IT AFFECTS PUBLIC-SECTOR WORKERS

The Windfall Elimination Provision (WEP) affects public-sector workers who receive pensions from jobs that didn't pay into Social Security. It was created to prevent these workers from being treated like low-income earners by the system,

which could result in higher benefits than they should get. While the goal is to make benefits fairer, WEP often reduces Social Security payments for people with shorter careers in jobs that did pay into the system, leading to frustration among retirees who rely on fixed incomes.

THE GOVERNMENT PENSION OFFSET: ITS IMPACT ON SPOUSAL AND SURVIVOR BENEFITS

The Government Pension Offset (GPO) affects workers who earned pensions from government jobs that didn't pay into Social Security. It also applies to federal employees under older retirement systems and others in state or local government positions. The GPO reduces spousal, ex-spousal or survivor Social Security benefits by two-thirds of the pension amount, which can leave some retirees with little or no Social Security support. While it aims to prevent people from receiving both full spousal benefits and a government pension, it often creates financial challenges for those relying on these benefits in retirement.

NEXT STEPS FOR THOSE AFFECTED BY WEP AND GPO CHANGES

If you're affected by the WEP or GPO, there's *no immediate action required*.

For those already receiving Social Security benefits, updated amounts reflecting the changes will automatically appear in your online account at SSA.gov, along with any back payments starting from December 2023. If you're not directly impacted but think you might be (like a spouse, ex-spouse or surviving spouse), it's a good idea to confirm with Social Security that these provisions have been removed from your record—this might mean contacting your local office.

If you haven't filed for Social Security yet, you can apply online or make an appointment at your local office. It is important to be prepared! Documents such as Proof of Identity, Birth Certificate, Social Security Number, Marriage Certificate, Divorce Decree, Death Certificate etc. may be required. Keep in mind that there may be delays as Social Security works through the backlog of approximately 3 million individuals affected by the elimination of the WEP and GPO provisions.

BOTTOM LINE

The changes to WEP and GPO can be confusing, especially when it comes to managing your retirement income. For many retirees who rely on Social Security, these reductions have created financial stress. Now that these provisions are being repealed, those affected may see an increase in their Social Security benefits. It's important to talk to a financial advisor to understand how these changes affect your retirement plans. Cash flow planning is key to making sure your income from Social Security, pensions, and other sources will cover your needs. Working with your advisor can help you adjust to these changes and better plan for the future.

HELPFUL INFORMATION PROVIDED BY THE SOCIAL SECURITY ADMINISTRATION:

Social Security Fairness Act: <https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html#>

Find your Local Office – <https://www.ssa.gov/locator/>

SSA Phone Number – (800) 772-1213 8AM-7PM EST, Mon-Fri.

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