



NALC FACT SHEET

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Windfall Elimination Provision

In 1983, Congress enacted the “Windfall Elimination Provision” (WEP) that changed the formula for computing Social Security benefits. The WEP reduces Social Security benefits of those who receive an annuity under the Civil Service Retirement System (CSRS) and also earned Social Security benefits from other employment. It applies to anyone who becomes 62 (or disabled) after 1985 and becomes eligible for his or her government annuity after 1985. In some cases, this provision can reduce a worker’s earned Social Security benefit by as much as 55.6 percent.

In the 110th Congress, Rep. Frank’s approach for amending the WEP would exempt retirees who receive less than \$2,000 a month from their combined Social Security earned benefits and public pension. However, for those receiving between \$2,000 and \$3,000 per month the WEP would gradually phase in. And finally, for those whose combined benefits reach above \$3,000 a month, the full WEP would still apply. Additionally, Rep. Brady introduced a bill in the 109th Congress that would replace the formula the WEP currently uses. This new formula

appeared to be more forward-looking, like that of Social Security’s base benefit formula and the use of public employee wage records would be used to achieve this goal. It is unclear whether this approach would result in greater reduction compared to the old formula.

Unfortunately, not one of these bills saw the light of day on the house or senate floor. The NALC favors the “phase out” or “partial repeal” of the WEP as it seems like the best possible option for moving a bill, but many other organization stand firm on an all or nothing repeal.

With the 112th Congress underway, the issue of addressing the WEP is once again before us. On January 25, 2011, Sen. Kay Bailey Hutchinson (R-TX) introduced the Public Servant Retirement Protection Act of 2011. Rep. Brady re-introduced a companion bill (H.R. 2797) on August 5, 2011.

The NALC has long championed the repeal or reform of the WEP and with the help of our activists, we fully intend to try to get a legislative fix during the 112th Congress.