



NALC Fact Sheet

Department of Government and Political Affairs — National Association of Letter Carriers

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Windfall Elimination Provision & Government Pension Offset

The **Windfall Elimination Provision** (WEP) rule, enacted in 1983, reduces the Social Security benefits of those who receive an annuity under the Civil Service Retirement System (CSRS) and who also earned Social Security benefits from other employment. Designed to prevent CSRS annuitants from collecting sizable Social Security benefits in addition to their CSRS annuities on the basis of only a few years of work under Social Security, the WEP rule applies to anyone who becomes 62 (or disabled) after 1985 and becomes eligible for his or her government annuity after 1985.

The WEP rule established that a person would only draw Social Security benefits for the actual work done under the Social Security Act. It established that a person who draws a civil service annuity (or other non-covered annuity) must have at least 30 years of “substantial” Social Security coverage to draw full benefits from Social Security. For each year less than 30 years of “substantial” coverage, the Social Security benefit is reduced by 5 percent until it reaches 40 percent. That 40 percent becomes the floor for the Social Security benefit. In some cases, this provision can reduce a worker’s earned Social Security benefit by as much as 55.6 percent.

Meanwhile, employees covered by the Civil Service Retirement System (CSRS) who retired December 1982 and later are affected by the **Government Pension Offset** (GPO) rule. Enacted in 1977, the GPO rule reduces or eliminates the Social Security spouse or survivor benefits for which a federal retiree may be eligible based on the Social Security record of his or her spouse. The retiree’s Social Security spousal benefit is cut by an amount equal to two-thirds of the retiree’s CSRS annuity.

Under the GPO rule, for example, if a person worked for federal, state or local government and was not covered by Social Security when his or her employ-

ment ended, two-thirds of that person’s pension benefits from that employment will be offset against any Social Security benefit for which the person is eligible as a spouse, widow or widower. The person can receive only the amount of Social Security benefit that exceeds two-thirds of his or her government pension. This frequently eliminates Social Security benefits altogether.

The GPO rule affects a federal or postal employee who retires under the Federal Employees Retirement System (FERS) with less than five years of FERS employment. Any Social Security spousal benefit received by the retired federal or postal employee on the basis of his or her spouse’s Social Security work record will be reduced by two dollars for every three dollars in annuity received for service under CSRS

Since at least the 109th Congress, there have been many attempts to fashion legislation to address these unfair rules.

The NALC fully supports the Social Security Fairness Act (H.R. 1205), introduced by Reps. Rodney Davis (R-IL) and Adam Schiff (D-CA), which would repeal both the WEP and GPO provisions to ensure that all federal employees have their Social Security benefits calculated in the same way as other American workers. H.R. 1205 is the mechanism that best addresses the devastating impacts many federal employees currently face.

NALC urges members of the House of Representatives to co-sponsor H.R. 1205.