

## **WEP and GPO Rob Retirees of Earned Benefits**

A shocking surprise awaits many Americans when they retire. There are two laws which may rob them of half or more of their Social Security benefits. The Government Pension Offset (GPO) was passed by Congress in 1977 after much publicity about the few retirees who were receiving large pensions and large survivor benefits because they had held high paying jobs as public agency administrators. But the GPO causes all public workers whose spouses were vested in Social Security to lose an amount equal to 2/3 of their pension, which is deducted from the Social Security survivor benefit they expected to receive. For many widowed retirees, what remains is a very small Social Security benefit or none at all.

The law increasingly affects more widows and widowers who worked in the public sector, many of whom receive pensions that are far from large. These retirees include teachers, fire fighters, nurses, civilian workers in the defense department and many others. This happens even after decades in which their deceased spouse had paid into the Social Security trust fund. Many of these spouses die without ever knowing that their spouse will lose the survivor benefit that they had earned for them. Over 79% of the affected survivors are women, including many with small public pensions. Even sadder, many of these women are driven into poverty due to the meager total benefit they receive and they struggle to afford adequate housing, food and health care.

The Windfall Elimination Provision (WEP) was passed in 1983 and it affects those who were employed in both private and public service. This bill reduces the percentage of the earnings that is used to derive their Social Security benefit. There is no means test to protect low wage workers. It can reduce a worker's Social Security benefit by up to half of his earned and expected amount. For those who retire with very small pensions and very small Social Security benefits it means they will struggle to make ends meet for the rest of their lives.

Aggravating the unfair results of these laws, most workers have not learned about the effects of these laws until they actually retired. Until 2005 there was no requirement that the Social Security Administration was to inform them, so most retirees were shocked when they learned the actual amount of their retirement income. Many have reason to worry that it won't cover their basic expenses. Often they end up with a total income that falls below the poverty line. Many have to work at whatever part-time job they can find and hope they will have the strength and health to continue. Some lose their homes; others are ashamed that they have to go on food stamps.

Another outrageous result of these two laws is that Social Security has failed to make the adjustments to some retirees' benefits for a while after they retired. For a few months or years they received too large a benefit. Then, when someone at Social Security noticed the error, the retiree got a letter demanding they write a check to repay the total amount and some have been asked to do so within 30 days. The amounts retirees told us about have ranged from \$550 to over \$30,000. It is appalling that retirees are asked to pay such a large amount of money to reimburse the agency for its mistakes.

The WEP and the GPO have created huge holes in the safety net Americans counted on. These ill conceived, poorly written and damaging laws must be repealed. Congress needs to do this now,

instead of any of the harmful adjustments to Social Security that some politicians and pundits have been discussing (such as reducing the amount of the inflation increase by altering the cost of living figures now used or making 70 years the new retirement age).

A repeal would be too expensive but the amount it would cost each year (\$8 to 10 billion a year) would be only 2% of the total benefits paid by Social Security each year. This amount could be recovered easily by a simple solution. If Congress raises the payroll tax cap to \$250,000 and applies an inflation factor for the future, the Social Security Trust Fund would be full for decades, especially if we don't let Congress borrow from it any more.

If you also are concerned about the effects of the WEP and the GPO, contact your Congress members and urge them to repeal these unfair laws and enact these simple solutions to restore this part of the safety net for our elder Americans. If you have been affected by the WEP or the GPO, let them know.