

AFL-CIO

LEGISLATIVE ALERT

November 22, 2024

Dear Senator:

On behalf of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), I am writing to express our strong support of S. 597, the Social Security Fairness Act, which repeals two harmful elements in how old age retirement benefits are calculated: the Government Pension Offset (GPO) as well as the Windfall Elimination Provision (WEP). These two provisions unfairly penalize more than 2.7 million dedicated public sector workers, including teachers, firefighters, and program staff at state, county, and municipal level administrative agencies. We urge you to work with leadership to secure a floor vote on this important piece of legislation before the end of this session.

As you are likely aware, the WEP penalizes retirees who have spent their career in public service but have also paid into Social Security at some point while working in private sector. Although these retirees do not expect to receive Social Security benefits for their years of public sector service for which they did not pay FICA tax, it is not fair that their Social Security benefits for their private sector work – or for the private sector work of their spouses – are reduced as a result of a 1983 change in federal law intended to address the false perception that such federal retirees were “double dipping.” These provisions are grossly unfair as the Social Security benefits of private sector workers are not reduced if they receive benefits from private pension plans. These federal retirees have earned their Social Security benefits and should receive them.

Together, the WEP-GPO provisions adversely affect approximately 25% of public sector workers. According to 2022 data, more than 1.9 million Social Security beneficiaries are affected by the WEP, and almost three-quarters of a million beneficiaries had spousal or widow(er) benefits reduced by the GPO.

The impact is concentrated among public school personnel and public safety officers -- exactly the vital jobs that municipalities and counties are having difficulty filling. The WEP and GPO undermine efforts to find solutions for alleviating the current workforce shortages in our schools and law enforcement agencies. A person interested in teaching or public administration as a second career should not have to jeopardize their earned benefits from Social Security simply because they live in a school district that does not participate in the program.

WEP also treats all public pensioners who also have covered pensioners as high-wage earners, regardless of whether that is the case. For individuals with lower covered earnings, WEP cuts their benefits by a significantly larger percentage. Approximately 214,300 beneficiaries harmed by WEP in December 2020 had a non-covered public pension of less than \$1,000 a month and an earned Social Security benefit of less than \$900, according to the Congressional

Research Service. These WEP-impacted individuals are living at or below 185% over the federal poverty line. The unfairness is compounded by the fact that these individuals pay the same percentage on their Social Security-covered earnings.

The number of beneficiaries penalized by WEP-GPO provisions grows every year. We urge you to address this injustice now. Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jody Calemine". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jody Calemine
Director, Government Affairs