

AFL-CIO

LEGISLATIVE ALERT

November 12, 2024

Dear Lawmaker:

On behalf of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), I am writing to express our strong support of HR 82, 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 support HR 82 when it is brought up on suspension.

At the same time, we urge you to oppose HR 5342, the Equal Treatment of Public Servants Act of 2023, which would improve benefits for some WEP-affected people in the short term but would, in the future, expose about half a million new people to WEP; it would also do nothing to address the spouses and survivors whose benefits are reduced by the GPO provisions, either now or in the future.

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 2 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 types of 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.

While the GPO and WEP provisions harm public sector pensioners and their spouses, HR 5342, the Equal Treatment of Public Servants Act of 2023, is not the right solution. Millions of teachers, public safety officers, and other public employees who are not subject to WEP would see a cut in their benefits once the temporary protections run out. This law just creates another fiscal time bomb for a future Congress to address rather than repeal a harmful and unnecessary provision. HR 5342 also fails to address GPO, which disproportionately affects elderly women. We urge you to vote against this bill when it comes to the House floor.

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 "C".

Jody Calemine
Director, Government Affairs