

AFSCME Statement for the Record  
before the  
U.S. House of Representatives  
Ways and Means Subcommittee on Social Security  
Hearing on “The Windfall Elimination Provision and Government Pension Offset”  
April 16, 2024

On behalf of the 1.4 million members of the American Federation of State, County and Municipal Employees (AFSCME), I want to thank you for holding a hearing on “How the Windfall Elimination Provision and Government Pension Offset Mistreat Government Workers.” I request that this letter be included in the hearing record.

AFSCME supports the Social Security Fairness Act (H.R. 82) because it fully repeals the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP), which both deprive more than 2.7 million public employees of Social Security benefits they have earned.

**The GPO-WEP provisions unfairly penalize approximately 25% of public workers and impacts even larger percentages of public-school teachers and personnel, and still larger percentages of public safety workers.** As of December 2022, more than 2 million Social Security beneficiaries were affected by the WEP and 734,601 Social Security beneficiaries and about 1% of all beneficiaries had spousal or widow(er)’s benefits reduced by the GPO.

The number affected by GPO does not include those who were potentially eligible for spousal or widow(er)’s benefits but were deterred from filing for them because of their expectation that the GPO would cut the spousal or widow(er)’s benefit. Due to the new data exchanges, the Social Security Administration (SSA) will soon have 35 years of W-2 earnings data for all covered workers on file. With this data, SSA will be able to more accurately identify individuals who are receiving pensions from non-covered employment but whose benefits are not yet being reduced. As SSA begins to use this data, it is likely that more individuals will have their Social Security benefits reduced, adding to the unfair burden this provision already imposes.

**The Government Pension Offset (GPO) Harms Public Pensioners** – Social Security pays benefits to the spouses of retired and disabled workers and to widow(er)s of deceased workers. The GPO offset requires a reduction in the Social Security spousal and widow(er)’s benefit received by public employees who earn a pension from non-covered employment. The GPO offset amounts to a two-thirds reduction in one’s public pension. If two-thirds of one’s government pension is more than their Social Security benefit, their benefit could be reduced to zero. The GPO especially hurts low-wage public sector workers, particularly women, who find the Social Security benefits they expected substantially diminished, if not eliminated entirely. This happens even if their public pension is very modest. As of December 2022, more than half a million Social Security beneficiaries saw GPO take away all their spousal or widow(er)’s benefits. About 96% of all individuals hurt by GPO were women.

Take for example, Sheila Dawkins-Flinn who is a library technician at Akron City Schools, where she has worked for 46 years. Sheila, 75, makes about \$27,500 annually to help Akron students learn to read and develop a life-long love of books. Because her husband is deceased,

Sheila receives a Social Security survivor benefit of about \$1,300 per month. If she retired today, she would receive a taxable SERS benefit of about \$2,345. She would like to retire and collect her School Employees Retirement System of Ohio (SERS) pension, but when she does, her Social Security survivor benefit will be cut by two-thirds of her public pension amount, or \$1,571. That means Sheila will receive NO Social Security survivor benefit. The minute she retires, she loses \$1,300 per month. Sheila still has a mortgage, car payment, utilities and food costs. She will not be able to meet her financial obligations and will have to leave her home. So, Sheila keeps working.

AFSCME urges Congress to stand with Shelia and hundreds of thousands of others – mostly widowed women – who are still on the job well into their seventies because they cannot afford to retire with dignity.

**The Windfall Elimination Provision (WEP) Harms Public Pensioners** – When the public pensioner has also worked in a Social Security-covered job for at least a decade, the WEP creates a public pension offset that can greatly reduce that person’s earned Social Security benefit. Under the WEP, because part of a retiree’s public pension (from non-covered employment) is considered equivalent to a Social Security benefit, the earned Social Security benefits of retirees are calculated with a modified formula, and this leads to cuts in benefits. The WEP formula can cut a worker’s earned Social Security benefit by more than half, up to \$587 in 2024. WEP also creates an indiscriminate penalty that is especially unfair because these workers pay the same percentage in payroll contributions on their Social Security-covered earnings as all others. Their Social Security benefits are completely earned.

Take for example, Troy Raccuia; for 20 years he strapped on a gun and a bulletproof vest to protect and serve East Haven, Connecticut with courage and commitment as a police officer. While serving his community as a public safety officer, he was also serving our country as an Army Reservist. In 1990 his unit was mobilized during the first Gulf War, and he served proudly in Operations Desert Shield, Desert Storm and Desert Sabre. As a Connecticut municipal police officer, he was covered under the Connecticut Municipal Employees Retirement System (CMERS); a retirement system that prohibited him from participating in the Social Security system. He contributed 5% of his total earnings, post-tax, towards CMERS. After retiring from the police force, he has continued to serve other public safety officers and public service workers by working for strong collective bargaining agreements for them. In his job as Director of Collective Bargaining for AFSCME Council 4, he has paid into Social Security for nearly 16 years. Now at 60 years of age he is looking forward to retirement but calculated that WEP will cost him more than \$500 a month in earned Social Security benefits. For Troy, WEP is unfair and harmful. Realizing that years of public service will result in more financial burdens and penalties in retirement, Troy is questioning whether the personal sacrifice he made for his country and community is even appreciated by a system he spent a lifetime defending.

AFSCME urges Congress to stand with Troy and more than 2 million individuals who are robbed of earned benefits because of WEP.

**WEP was the result of a fiscal commission proposal.** We note that the WEP was enacted as part of the 1983 Social Security Refinancing Act (P.L. 98-21) that was designed to shore up the financing of the Social Security Trust Fund. It was the result of legislative ideas proposed at that

time by a fiscal commission. WEP is a prime example of one of the reasons why AFSCME opposes fiscal commission proposals. They tend to focus exclusively on cutting Social Security, Medicare and Medicaid, among other bedrock programs, to reduce the deficit. Any commission examining federal fiscal health should examine the adequacy of current federal investments and entitlements, as well as needed revenues. We are concerned that a debt commission with fast-track approval would again make these key programs more vulnerable, as was the case with WEP.

**Congress can repeal WEP and GPO and strengthen Social Security.** There are ways to strengthen the solvency of programs like Medicare and Social Security, which give millions of Americans dignity and peace of mind. Currently, middle-class and lower-income Americans pay Social Security taxes on all their earnings, but higher-income Americans do not. That is not fair. President Biden has proposed protecting and strengthening Social Security by asking the highest-income Americans to pay their fair share.

The GPO and WEP cuts truly harm public pensioners and their spouses who paid thousands of dollars into Social Security over decades. Simply because they contributed to and are also receiving a public pension, the SSA denies them the full Social Security benefits they would otherwise be entitled to because of the current unfair GPO and WEP statutory provisions.

We ask you to end this injustice permanently and urge Congress to immediately enact the Social Security Fairness Act (H.R. 82), fully repeal both GPO and WEP, and ensure that earned monthly benefits are paid in full for this and future generations.