

# **Windfall Elimination Provision and the Government Pension Offset - Social Security Fairness Act of 2023 Update.**

The recent repeal by Congress of the Windfall Elimination Provision and the Government Pension Offset through the passage of the Social Security Fairness Act of 2023 may have significant implications for public-sector employees, including those affiliated with the Employees' Retirement Fund of the City of Dallas (ERF). The Social Security Fairness Act of 2023 applies to Social Security benefits payable after December 31, 2023.

## **Background on the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO):**

- **Windfall Elimination Provision (WEP):** Enacted in 1983, WEP reduces Social Security retirement benefits for individuals who also receive pensions from employment that is not covered by Social Security, such as certain public-sector jobs. This reduction often affects employees who split their careers between covered and non-covered employment.
- **Government Pension Offset (GPO):** Established in 1977, GPO reduces Social Security spousal or survivor benefits for individuals who receive a government pension from non-covered employment. This provision frequently impacts spouses and widows or widowers of public servants.

## **Impact of the Repeal on ERF Members:**

The Social Security Fairness Act of 2023 does not directly affect any retirement or survivor benefits under ERF. With the repeal of WEP and GPO, however, ERF members who have contributed to Social Security through other employment or are eligible for spousal or survivor benefits may experience the following changes:

- **Increased Social Security Benefits:** Affected individuals can anticipate an increase in their Social Security benefits. The Social Security Administration (SSA) estimates that the repeal of WEP could boost monthly benefits by approximately \$360 on average, with potential increases of up to \$460 over the next decade. Similarly, the elimination of GPO may result in average monthly benefit increases of \$700 for spouses and \$1,190 for surviving spouses.
- **Enhanced Retirement Security:** The removal of these provisions addresses previous reductions, thereby enhancing the overall retirement income for many public-sector employees and their families.

## **Considerations for ERF and Its Members:**

While the repeal does not directly alter the benefits provided by ERF, it has implications for the retirement planning of its members:

- **Financial Planning Adjustments:** Members who have been affected by WEP or GPO should reassess their retirement strategies to account for the possible increase in Social Security benefits. This adjustment may influence decisions regarding savings, investments, and retirement timelines.

- Stay Informed: SSA should provide information to retirees and beneficiaries about the impact of the new law on benefits. Members are also encouraged to consult with financial advisors to understand the full impact of these changes on their individual circumstances. Although ERF representatives can answer general questions, they cannot provide advice regarding Social Security eligibility or benefits or provide individualized financial or retirement planning advice. Members may visit the SSA website at: [www.ssa.gov/benefits/retirement/social-security-fairness-act.html](http://www.ssa.gov/benefits/retirement/social-security-fairness-act.html)

In summary, the repeal of WEP and GPO through the Social Security Fairness Act of 2023 represents a positive development for ERF members, potentially enhancing their retirement income by restoring Social Security benefits that may have been previously reduced by these provisions.