



Social Security reductions for government employees

Social Security is complex, and there are certain rules you'll want to consider if you're a federal, state or local government employee. Two key provisions, the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO), reduce benefits for some employees who qualify for a pension from work that did not pay into Social Security. Both of these provisions were designed to prevent a windfall from Social Security and public sector pensions.

The Windfall Elimination Provision (WEP)

This provision affects some retirees whose work history includes both:

- Social Security-covered work (e.g., private sector)
- Work not covered by Social Security (e.g., government job) for which they qualify for a pension

The reduction is based on the number of years of Social Security-covered employment and income earned from Social Security-covered employment; this reduction cannot be more than half of the pension amount.

WEP may reduce your Social Security benefit by as much as **\$587** per month.¹

How it works

Social Security benefits are based on your work history and wages in jobs that paid into Social Security. The monthly amount you receive at your full retirement age is known as your primary insurance amount (PIA). For those subject to WEP, the formula to calculate your PIA is adjusted and reduces monthly benefits by up to \$587 per month.

Let's look at an example

Susan worked in both the public and private sectors and qualifies for a government pension and Social Security. Based on her work history, she is subject to the full WEP reduction. Her PIA without WEP reductions would have been \$1,700.

Susan's monthly benefit after WEP: $\$1,700 - \$587 = \mathbf{\$1,113}$

The Government Pension Offset (GPO)

This provision affects some retirees who qualify for a government pension and are collecting Social Security spousal or survivor benefits.

A GPO may reduce Social Security spousal and/or survivor benefits by $\frac{2}{3}$ of your government pension amount.²

These examples are for illustrative purposes only. Individual results will vary.

¹ "Windfall Elimination Provision," Social Security Administration (January 2024).

² If $\frac{2}{3}$ of your government pension is greater than your Social Security spousal and/or survivor benefits, the entire benefit may be eliminated.

How it works

Spousal benefits pay up to 50% of a spouse's Social Security benefit and survivor benefits pay up to 100% of a deceased spouse's Social Security benefit, in most situations. But these benefits are reduced if you qualify for a government pension for work in which you did not pay into Social Security through FICA taxes.

Let's look at an example with a married couple, Robin and Tracy:

- Robin worked in the private sector, paying into Social Security every year. Robin's Social Security benefit at full retirement age is \$2,500 monthly.
- Tracy worked for the government, a job that did not pay into Social Security, and qualifies for a government pension of \$3,000 monthly. The GPO would reduce any spousal or survivor benefits by \$2,000 (two-thirds of the \$3,000 pension).

	TRACY'S BENEFIT BEFORE GPO	TRACY'S BENEFIT AFTER \$2,000 GPO
Spousal benefit	\$1,250	\$0
Survivor benefit	\$2,500	\$500

The WEP and GPO provisions can be complicated. You should consult a financial professional or refer to ssa.gov for more detailed information. This example is for illustrative purposes only, and individual results will vary.



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