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SUMMARY

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The Social Security Fairness Act of 2023 (SSFA; P.L. 118-273), signed into law on January 5, 2025, repealed two provisions in the Social Security Act: the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP). The changes applied to monthly benefits payable after December 2023.

The GPO and WEP were two separate provisions that reduced Social Security or railroad retirement benefits for workers and their eligible family members if they received (or were entitled to) pensions based on earnings from employment not covered by Social Security and not subject to its payroll tax. (Railroad retirement Tier I annuities are designed to be nearly equivalent to Social Security benefits.) The two largest groups of Social Security or railroad retirement beneficiaries who might have been affected by the GPO and WEP were (1) about one-quarter of state and local government employees covered by alternative staff retirement systems and (2) most permanent civilian federal employees hired before January 1, 1984, who were covered by the Civil Service Retirement System or another alternative retirement plan. The reductions in benefits under the GPO and the WEP were designed to place Social Security or railroad retirement beneficiaries who had some noncovered earnings in approximately the same position they would have been in had all their earnings been covered by the Social Security program. The GPO affected certain spouses and survivors of insured workers, while the WEP adjusted benefits for certain retired or disabled workers (and their family members).

The GPO was established in 1977 and the WEP in 1983. Supporters of the GPO and the WEP claimed that the provisions were reasonable means to prevent unintended overgenerous benefits that the Social Security benefit formula could provide to individuals with earnings from jobs not covered by Social Security. They also contended that these provisions were in law for more than 40 years, giving individuals ample time to adjust their retirement plans. Critics pointed out that these provisions were not well understood. They argued that many people affected by the provisions were unprepared for smaller Social Security benefits than they had expected in making retirement plans. They further pointed out that affected individuals considered the provisions to be unfair and somewhat arbitrary with respect to how the benefit reductions were computed. Over the more than four decades, lawmakers regularly introduced legislation to repeal or modify these provisions.

Upon the passage of the SSFA, affected beneficiaries could receive an increase (adjustment) in their monthly benefits and potentially receive past-due payments for benefits payable dated back to January 2024. In the Social Security Administration's update on July 7, 2025 (the most recent one), the agency sent more than 3.1 million payments totaling $17 billion to beneficiaries eligible under the SSFA. In its April 15, 2026, report (the most recent one), the Railroad Retirement Board reported that it had completed all SSFA-related adjustments to monthly benefits and had completed issuing all past-due payments, totaling over 12,000 cases and more than $106 million. In addition, current workers who have work experience in jobs that are not subject to the Social Security payroll tax and who are potentially entitled to pensions based on those noncovered earnings in the future will no longer have any future Social Security or railroad retirement benefits reduced by the two provisions. The Board of Trustees' 2025 annual report on the Social Security trust funds estimated that the SSFA reduced the long-range actuarial balance of the program (i.e., increased the net long-term cost) by 0.14% of taxable payroll.

Researchers generally agree that the pre-SSFA GPO and WEP could approximately—not perfectly—reduce unintended overgenerous benefits to certain people due to noncovered employment. Some argue that the Social Security formula cannot distinguish between many high-income noncovered workers and steady low-income covered workers, resulting in unintended windfall benefits, and that the SSFA worsened this problem. Others contend that the SSFA eliminated two complex and poorly understood provisions and that its passage may present an opportunity to make further changes to Social Security coverage or the treatment of noncovered earnings. For example, lawmakers could ultimately eliminate the disparity between beneficiaries who had some noncovered earnings and those with all their earnings covered by the program by extending Social Security coverage to the entire workforce. Lawmakers could also develop a more accurate benefit formula for individuals with earnings from noncovered employment.

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Introduction

The Social Security Fairness Act of 2023 (SSFA; P.L. 118-273) was signed into law on January 5, 2025. The legislation repealed two provisions in the Social Security Act: the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP). The changes applied to monthly benefits payable after December 2023. This report provides background information on these two provisions, documents the implementation of the law, examines the impact of the legislation, and discusses selected issues and policy options for Congress.

Background

Social Security is a work-related federal insurance program that provides monthly cash benefits to workers and their eligible family members in the event of a worker's retirement, disability, or death.[1] A worker's employment or self-employment is considered covered by Social Security if the services performed in that job result in earnings that are taxable and creditable for program purposes.[2] Although participation in Social Security is compulsory for most workers, about 7% of all workers in paid employment or self-employment are not covered by Social Security and thus not subject to its payroll tax.[3] The two largest noncovered groups are (1) about one-quarter of state and local government employees covered by alternative staff retirement systems[4] and (2) most permanent civilian federal employees hired before January 1, 1984, who are covered by the Civil Service Retirement System (CSRS) or another alternative retirement plan.[5] The benefit reductions under the GPO and the WEP were designed to place Social Security beneficiaries who had some noncovered earnings in approximately the same position they would have been in had *all* their earnings been covered by the Social Security program.

The GPO

The GPO reduced the Social Security spousal or widow(er)'s benefits of most people who also received a pension based on federal, state, or local *government employment* not covered by Social Security.[6] Social Security provides benefits to the spouses and widow(er)s of insured workers, because immediate family members are presumed to be dependent on a worker for their financial support and thus are presumed to be in need of such benefits when the family experiences a loss

[1] See CRS In Focus IF10426, *Social Security Overview*.

[2] For people who work in jobs that are covered by Social Security, participation is mandatory. Covered workers and their employers are required to pay Social Security payroll taxes. In 2026, workers pay a 6.2% tax on covered earnings, up to a maximum earnings level of $184,500. The maximum earnings level is generally adjusted annually based on average wage growth in the national economy. Employers pay a corresponding amount—6.2% of workers' covered earnings up to the annual maximum. Self-employed workers generally pay a 12.4% tax on net earnings up to the annual maximum.

[3] See CRS In Focus IF11824, *Social Security: Who Is Covered Under the Program?*, and Social Security Administration (SSA), Office of the Chief Actuary (OCACT), *Fact Sheet on the Old-Age, Survivors, and Disability Insurance Program*, February 9, 2026, https://www.ssa.gov/oact/FACTS/index.html.

[4] See CRS Report R46961, *Social Security Coverage of State and Local Government Employees*.

[5] See CRS Report R47084, *Federal Retirement Plans: Frequently Asked Questions*.

[6] See CRS Report RL32453, *Social Security: The Government Pension Offset (GPO)*.

of income due to the worker's retirement, disability, or death. In general, a spouse receives up to 50% of the worker's basic monthly benefit,[7] and a widow(er) receives up to 100%.

Under Social Security's *dual entitlement rule*, a person's spousal or widow(er)'s benefit is reduced, dollar-for-dollar, by the amount of his or her own Social Security retired- or disabled-worker benefit but not below zero (i.e., a 100% offset).[8] The difference, if any, is paid as a spousal or widow(er)'s benefit and is added to the worker's Social Security benefit. In effect, the person receives the higher of the two Social Security benefit amounts, but not both. For example, if a person is entitled to a $600 retired-worker benefit (based on his or her own work history in covered employment) and an $800 spousal benefit (based on his or her spouse's work history in covered employment), then the person would receive the $600 worker benefit plus the $200 difference between the worker benefit and the spousal benefit ($800 - $600 = $200). The dual entitlement rule is an implicit test of a spouse's or widow(er)'s dependency on an insured worker for his or her financial support.

The GPO intended to replicate the dual entitlement rule for spouses and widow(er)s who receive pensions based on noncovered employment. Under the GPO, the Social Security spousal or widow(er)'s benefit was reduced by an amount equal to two-thirds of the noncovered government pension (i.e., a 67% offset). If a person received a monthly noncovered pension of $900, two-thirds of that amount (or $600) was deducted from his or her Social Security spousal or widow(er)'s benefit. If the same person was also entitled to a spousal benefit of $800, then he or she would receive $200 per month from Social Security ($800 - $600 = $200). The other one-third of the noncovered government pension was assumed to be equivalent to a supplementary private pension, which would not cause a reduction in the Social Security spousal benefit.

Legislative History and Rationale

The GPO was enacted in 1977, after the Supreme Court ruled that men were not required to prove that they received at least one-half of their support from their wives in order to qualify for husband's or widower's benefits.[9] (Women were not subject to an explicit dependency test, as they were presumed to be dependent on their husbands.) This ruling made hundreds of thousands of male retirees who worked in noncovered government employment immediately eligible for Social Security benefits as spouses or widowers, added hundreds of millions of dollars annually to the cost of the program, and raised questions about whether these were unnecessary or "windfall" benefits.[10] To prevent the payment of full Social Security spousal benefits to people receiving a pension from noncovered government employment, Congress created the GPO as part of the Social Security Amendments of 1977 (P.L. 95-216), which provided that 100% of the noncovered government pension be subtracted from the Social Security spousal or widow(er)'s benefit.[11]

[7] A worker's basic monthly benefit is also known as the primary insurance amount (PIA). This is the amount of a worker's monthly benefit before any adjustments, such as for age at benefit claiming or cost-of-living. For more information, see CRS Report R46658, *Social Security: Benefit Calculation*.

[8] See CRS In Focus IF10738, *Social Security Dual Entitlement*.

[9] Califano v. Goldfarb, 430 U.S. 199 (1977). For more information, see Edmund T. Donovan, "*Goldfarb* and *Mathews*: Legal Challenges to the Dependency Test for Spouse's Benefits," *Social Security Bulletin*, vol. 47, no. 12 (December 1984), https://www.ssa.gov/policy/docs/ssb/v47n12/v47n12p22.pdf.

[10] U.S. Congress, House Committee on Ways and Means, *Background Materials for Hearings on Social Security*, committee print, 95th Cong., 1st sess., July 18, 1977, WMCP 95-40, p. 33, https://books.google.com/books?id=q3rQAAAAMAAJ&pg=PA33.

[11] U.S. Congress, Senate Committee on Finance, *Social Security Amendments of 1977*, report to accompany H.R. 5322, (continued...)

The dollar-for-dollar reduction implicitly assumed exact equivalency between government pensions and Social Security worker benefits. However, noncovered government pensions often combine the elements of a worker's Social Security benefit and a pension intended to supplement Social Security. Although a spouse covered under Social Security may have his or her spousal or widow(er)'s benefits reduced under the dual entitlement rule, that rule considers only his or her Social Security worker's benefits and does not count income he or she may have from a private pension.

In response to this criticism, Congress lowered the GPO reduction to two-thirds of the noncovered government pension under the Social Security Amendments of 1983 (P.L. 98-21).[12] The House version of the bill that became the 1983 amendments called for the reduction to be lowered to one-third of the noncovered government pension. The House proposed a one-third reduction based on the rationale that "thirty-three percent approximates the portion of the CSRS annuity which is equivalent to social security retirement benefits for the average earner."[13] The Senate version of the bill contained no such provision and thus would have kept the existing 100% offset. In conference, lawmakers agreed to a two-thirds reduction.[14]

Arguments For or Against the GPO

The GPO's defenders maintained that it helped to ensure that only financially dependent spouses received the Social Security spousal or widow(er)'s benefit, while curtailing what otherwise would have been an unfair advantage for government workers who were not covered by Social Security.[15] Supporters also noted that the provision was in law for more than 40 years—it was enacted in 1977 and repealed for benefits payable beginning in 2024—giving individuals ample time to adjust their retirement plans.[16]

Opponents argued that the GPO was not well understood and that many affected individuals were unprepared for the smaller Social Security benefits they ultimately received.[17] They also

95th Cong., 1st sess., S.Rept. 95-572, November 1, 1977, pp. 27-28, https://www.finance.senate.gov/imo/media/doc/srpt95-572.pdf#page=33; U.S. Congress, Conference Committee, *Social Security Amendments of 1977*, report to accompany H.R. 9346, 95th Cong., 1st sess., S.Rept. 95-612, pp. 71-72, https://www.finance.senate.gov/imo/media/doc/srpt95-612.pdf#page=71; and John Snee and Mary Ross, "Social Security Amendments of 1977: Legislative History and Summary of Provisions," *Social Security Bulletin*, vol. 41, no. 3 (March 1978), https://www.ssa.gov/policy/docs/ssb/v41n3/v41n3p3.pdf.

[12] John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," *Social Security Bulletin*, vol. 46, no. 7 (July 1983), p. 26, https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf.

[13] See House debate, *Congressional Record*, vol. 128, part 22 (December 14, 1982), p. 30439, https://www.govinfo.gov/content/pkg/GPO-CRECB-1982-pt22/pdf/GPO-CRECB-1982-pt22-4-1.pdf#page=18.

[14] U.S. Congress, Conference Committee, Social Security Amendments of 1983, conference report to accompany H.R. 1900, 98th Cong., 1st sess., March 24, 1983, H.Rept. 98-47, p. 155, https://www.finance.senate.gov/imo/media/doc/Conf-98-47.pdf#page=155.

[15] See, for example, the remarks of Rep. Kevin Brady in U.S. Congress, House Committee on Ways and Means, Subcommittee on Social Security, *Social Security Provisions Affecting Public Employees*, hearing, 108th Cong., 1st sess., May 1, 2003, H.Hrg. 108-36, pp. 30-33, https://www.govinfo.gov/content/pkg/CHRG-108hhrg93600/pdf/CHRG-108hhrg93600.pdf#page=36.

[16] The Social Security Protection Act of 2004 (P.L. 108-203) included a provision that sought to ensure that SSA and government employers notify potentially affected individuals about the effect of the GPO and the WEP.

[17] See, for example, the opening statement of Rep. Sherwood Boehlert Brady in U.S. Congress, House Select Committee on Aging, Subcommittee on Retirement Income and Employment and Task Force on Social Security and Women, *Retirement Equity and Public Sector Workers: Should There be a Government Pension Offset?*, joint hearing, 102nd Cong., 1st sess., November 7, 1991, H.Hrg. 102-843, p. 16, https://books.google.com/books?id=XwQ3T42P7zsC&pg=PA16.

contended that reducing spousal or widow(er)'s benefits by two-thirds of a government pension was an imprecise method for estimating what those benefits would have been if the government job had been covered by Social Security.[18]

There was also disagreement about the original intention of the GPO. Some argued that the original purpose was to prevent higher-paid workers from reaping overly generous spousal or widow(er)'s benefits. Others contested this, saying that the GPO was never targeted at a particular income group. Critics further argued that the GPO disproportionately harmed lower- and middle-wage workers,[19] such as teachers, and in some circumstances pushed these retirees into poverty.[20]

The WEP

The WEP applied to most people who received both a pension from noncovered work (including certain foreign pensions) and Social Security benefits based on fewer than 30 years of substantial earnings in covered employment or self-employment.[21] In 2022 (the last year of coverage amount used), the amount of substantial earnings in covered employment or self-employment needed for a year of coverage (YOC) was $27,300. [22] This amount was adjusted annually by the growth in average wages in the economy, provided a cost-of-living adjustment (COLA) was payable. The WEP affected retired- or disabled-worker beneficiaries and their eligible dependents. However, it did not affect survivor beneficiaries.

[18] See, for example, the statement of Rep. William Jefferson in U.S. Congress, House Committee on Ways and Means, Subcommittee on Social Security, *Social Security Government Pension Offset*, hearing, 106th Cong., 2nd sess., June 27, 2000, H.Hrg. 106-102, p. 6, https://www.govinfo.gov/content/pkg/CHRG-106hhrg68333/pdf/CHRG-106hhrg68333.pdf#page=10. For more information, see the discussion in the section "Proportional Formula."

[19] How an individual would be affected by the GPO versus the dual entitlement rule is determined by several key variables, including the relative earnings level of the individual, the timing of the worker's noncovered employment during his or her career, and the number of years in noncovered employment. The primary difference between outcomes among high and low earners is driven by the fact that a worker's Social Security benefit (the basis for the dual entitlement offset, which reduces the spousal benefit by 100% of this amount) is progressive, while pensions from noncovered government employment (the basis for the GPO reduction, which reduces spousal benefits by two-thirds of this amount) generally provide a pension that is the same fixed percentage of earnings regardless of the earnings level. As earnings rise, if the earnings are from noncovered employment, then the pension from this employment rises proportionately; if the earnings are from covered employment, then the Social Security benefit, which is progressive, rises less than proportionately. Hence for high earners, the GPO offset to spousal benefits, which is two-thirds of noncovered pensions and which rises proportionately as income rises, becomes more significant than the dual-entitlement offset to spousal benefits, which involves a 100% offset to the Social Security benefit and which rises more slowly as income rises. In general, any combination of variables (such as earnings level, timing of noncovered employment, or number of years in noncovered employment) that increases the size of the noncovered government pension more than it increases the size of the Social Security benefit (assuming the same earnings were covered by Social Security) would make the dual entitlement rule more advantageous to an individual than the GPO.

[20] In 2001, the poverty rate among those affected by the GPO was approximately 6.0%, whereas the poverty rate for those affected by the dual entitlement rule was approximately 8.9%. Poverty rates were calculated by David Weaver, SSA's Office of Retirement Policy, using the March 2001 Current Population Survey (CPS). Poverty status is taken directly from the CPS and is thus subject to errors in the reporting of income. The sample for the GPO and dually entitled poverty rates includes only persons for whom SSA administrative records could be matched. The sample size for the GPO poverty rate is relatively small (130 cases). Poverty rates for the Social Security beneficiary population aged 65 and over and for the general population do not require matched data and are based completely on CPS data. CRS was not able to locate a more recent calculation of poverty rates for these two groups of beneficiaries.

[21] See CRS Report 98-35, *Social Security: The Windfall Elimination Provision (WEP)*.

[22] Due to enactment of the Social Security Fairness Act of 2023 (P.L. 118-273), the computation applicable to certain persons receiving pensions from noncovered employment is used only in computations of benefits through December 2023, for which the last year of coverage amount used is 2022. See SSA, OCACT, "Old-law Base and Year of Coverage," https://www.ssa.gov/OACT/COLA/yoc.html.

The Social Security benefit formula is progressive, replacing a greater share of career-average earnings for low-paid workers than for high-paid workers. The benefit formula applies three factors—90%, 32%, and 15%—to three different brackets (known as *bend points*) of a worker's *average indexed monthly earnings* (AIME), which is a measure of career-average earnings in covered employment or self-employment. The result is the *primary insurance amount* (PIA), which is the worker's basic benefit before any adjustments are made for factors such as COLAs, early retirement, or delayed retirement. For workers who became eligible for benefits in 2023 (the last year for which the WEP was applied), the PIA was determined based on the formula in **Table 1**. The bend points in the table are adjusted annually for average wage growth.

Table 1. Social Security Benefit Formula for Workers Who First Become Eligible in 2023

Factor	Average Indexed Monthly Earnings (AIME)
90%	of the first $1,115, plus
32%	of AIME over $1,115 and through $6,721 (if any), plus
15%	of AIME over $6,721 (if any)

Source: CRS, based on Social Security Administration (SSA), Office of the Chief Actuary, "Benefit Formula Bend Points," https://www.ssa.gov/oact/cola/bendpoints.html.

For people with 20 or fewer YOCs who became eligible for benefits in 2023, the WEP reduced the first factor from 90% to 40%, resulting in a maximum reduction of $557.50 (90% of $1,115 *minus* 40% of $1,115).[23] For each additional year of substantial earnings in covered employment or self-employment beyond 20, the first factor increased by five percentage points. For example, the first factor was 45% for those with 21 YOCs. The WEP factor reached 90% for those with 30 or more YOCs and at that point was phased out. A *guarantee* in the WEP ensured that the WEP reduction could not exceed one-half of the noncovered pension based on the worker's noncovered work. This guarantee was designed to help protect workers with low pensions from noncovered work.

Note that the WEP reduction was limited to the first bracket in the AIME formula (90% vs. 40%), while the 32% and 15% factors for the second and third brackets were unchanged. As a result, for AIME amounts that exceeded the first formula threshold of $1,115, the WEP reduction remained a flat of $557.50 per month. For example, if the worker had an AIME of $4,000, the WEP reduction would have been $557.50 per month. The WEP therefore resulted in a proportionally larger reduction in benefits for workers with lower AIMEs and lower monthly benefit amounts.[24]

Legislative History and Rationale

The WEP was enacted in 1983 as part of major amendments designed to shore up the financing of Social Security. Its purpose was to remove an unintended advantage or "windfall" that the regular

[23] Because the WEP reduced the initial benefit amount before it was reduced or increased due to early retirement, delayed retirement credits, COLAs, or other factors, the difference between the final benefit with the WEP and the final benefit without the WEP might be less than or greater than $557.50. In addition, the maximum WEP reduction was limited to 50% of the noncovered pension.

[24] For the worker shown in **Table 1,** with an AIME of $1,800 and a monthly benefit of $1,222.70 under the regular benefit formula in 2023, the WEP reduction of $557.50 represented a reduction of approximately 46% to the regular formula monthly benefit amount. By comparison, a worker with an AIME of $4,000 would have been entitled to a PIA of $1,926.70 under the 2023 regular benefit formula, and the same WEP reduction of $557.50 per month would have represented a 29% reduction in this worker's monthly benefit amount.

Social Security benefit formula provided to workers who also had pensions from noncovered employment. The progressivity of the benefit formula was intended to help workers who spent their careers in low-paying jobs by providing them with a benefit that was relatively higher in relation to their career-average earnings than the benefit that was provided for workers with high career-average earnings.

However, the formula could not differentiate between those who worked in low-paid jobs throughout their careers and other workers who appeared to have been low paid because they worked many years in jobs not covered by Social Security (these years are shown as zeros for Social Security benefit purposes). Thus, before the WEP was enacted, workers who were employed for only a portion of their careers in jobs covered by Social Security—even highly paid ones—also received the advantage of the weighted formula, because their few years of covered earnings were averaged over their entire working career to determine the average covered earnings on which their Social Security benefits were based. The WEP was intended to remove this advantage.

Congress created the WEP as part of the Social Security Amendments of 1983 (P.L. 98-21). The House version of the bill proposed to substitute the 90% replacement factor in the regular benefit formula with a 61% replacement factor,[25] and the Senate version of the bill would have substituted the 90% replacement factor in the regular benefit formula with a 32% replacement factor (with a five-year phase-in).[26] The conferees agreed to set the replacement factor at 40% as a compromise.[27] The legislation also specified that workers with 30 or more years of Social Security coverage were exempt from the provision; that for workers with 26 to 29 years of coverage, a factor larger than 40% was applied (on a sliding scale); and that the reduction in the worker's Social Security benefit could not be more than one-half of the noncovered pension.

In 1988, the WEP was modified so that the phaseout in the reduction to Social Security benefits applies to workers with 21 to 29 years of substantial covered employment, with the first replacement factor in the windfall formula adjusted on a sliding scale in 5% increments. This provision was included in the Technical and Miscellaneous Revenue Act of 1988 (P.L. 100-647).

Arguments For or Against the WEP

Proponents of the measure said that it was a reasonable means to prevent the payment of overgenerous and unintended benefits to certain workers who otherwise would have profited from happenstance (i.e., the mechanics of the Social Security benefit formula).[28] Furthermore, they maintained that the provision rarely caused hardship because by and large the people affected were reasonably well off because by definition they also receive pensions from noncovered

[25] U.S. Congress, House Committee on Ways and Means, *Social Security Act Amendments of 1983*, report to accompany H.R. 1900, 98th Cong., 1st sess., March 4, 1983, H.Rept. 98-25, pp. 21-22, https://www.ssa.gov/history/pdf/Downey%20PDFs/Social%20Security%20Amendments%20of%201983%20Vol%201.pdf#page=29.

[26] U.S. Congress, Senate Committee on Finance, *Social Security Act Amendments of 1983*, report to accompany S. 1, 98th Cong., 1st sess., March 11, 1983, S.Rept. 98-23, pp. 15-16, https://www.finance.senate.gov/imo/media/doc/SRpt98-23.pdf#page=15.

[27] U.S. Congress, Conference Committee, *Social Security Amendments of 1983*, conference report to accompany H.R. 1900, 98th Cong., 1st sess., March 24, 1983, H.Rept. 98-47, pp. 120-121, https://www.finance.senate.gov/imo/media/doc/Conf-98-47.pdf#page=120. For more information on the history of the WEP in the early 1980s, see the text box "Legislative Proposals Based on the Proportional WEP" below and John A. Svahn and Mary Ross, "Social Security Amendments of 1983: Legislative History and Summary of Provisions," *Social Security Bulletin*, vol. 46, no. 7 (July 1983), https://www.ssa.gov/policy/docs/ssb/v46n7/v46n7p3.pdf.

[28] See, for example, Andrew G. Biggs, "How Public Employees Can Double-Dip in Social Security," American Enterprise Institute, December 16, 2024, https://www.aei.org/articles/how-public-employees-can-double-dip-in-social-security/.

work.[29] The guarantee provision ensured that the reduction in Social Security benefits could not exceed one-half of the pension from noncovered work, which protected people with small pensions from noncovered work. In addition, the impact of the WEP was reduced for workers who spent 21 to 29 years in Social Security-covered work and was eliminated for people who spent 30 years or more in Social Security-covered work.

Some opponents of the WEP believed the provision was unfair because it substantially reduced a benefit that certain workers might have included in their retirement plans.[30] Others criticized how the provision worked, noting that the arbitrary 40% factor in the WEP formula was an imprecise way to determine the actual windfall when applied to individual cases.[31] In addition, some opponents argued that the WEP discouraged some people from working in noncovered public service jobs, such as police officers or teachers.[32]

The impact of the WEP on low-income workers has been the subject of debate. Researchers have identified two reasons why the WEP could have been regressive.[33] First, because the WEP adjustment was confined to the first bracket of career-average earnings in the benefit formula ($1,115 in 2023), it caused a proportionally larger reduction in benefits for workers with lower AIMEs and benefit amounts than for others. Second, a high earner was more likely than a low earner to cross the “substantial work” threshold for accumulating years of covered earnings (in 2022 this threshold was $27,300 in Social Security–covered earnings); therefore, high earners were more likely to benefit from the provision that phased out the WEP for people with between 21 and 29 years of covered employment.

Passage and Implementation

Over the two decades before the Social Security Fairness Act of 2023 (SSFA) was enacted, Congress introduced multiple bills to repeal or revise the GPO, the WEP, or both (collectively referred to here as the *GPO or WEP*). In the 118th Congress (2023-2024, the last Congress before the SSFA was passed), legislative proposals to amend the GPO or WEP included

- repealing the GPO and the WEP for benefits payable after December 2023 (H.R. 82 and S. 597),
- eliminating the GPO and the WEP temporarily (S. 2280 and H.R. 4583),

[29] See, for example, Alan L. Gustan et al., “The Social Security Windfall Elimination and Government Pension Offset Provisions for Public Employees in the Health and Retirement Study,” *Social Security Bulletin*, vol. 74, no. 3 (August 2014), https://www.ssa.gov/policy/docs/ssb/v74n3/v74n3p55.html; and Richard W. Johnson and Karen E. Smith, “Getting Rid of Social Security Offsets for Teachers Flunks the Equity Test,” Urban Institute, June 17, 2024, https://www.urban.org/urban-wire/getting-rid-social-security-offsets-teachers-flunks-equity-test.

[30] See, for example, the opening statement of Sen. John Kerry in U.S. Congress, Senate Committee on Finance, Subcommittee on Social Security, Pensions, and Family Policy, *GPO and WEP: Policies Affecting Pensions from Work Not Covered by Social Security*, hearing, 110th Cong., 1st sess., November 6, 2007, S.Hrg. 110-903, pp. 1-2, https://www.finance.senate.gov/imo/media/doc/51475.pdf#page=5.

[31] See, for example, the Social Security Advisory Board, *The Windfall Elimination Provision: It’s Time to Correct the Math*, October 1, 2015, http://www.ssab.gov/Portals/0/OUR_WORK/REPORTS/WEP_Position_Paper_2015.pdf.

[32] See, for example, the opening statement of Sen. Sherrod Brown in U.S. Congress, Senate Committee on Finance, Subcommittee on Social Security, Pensions, and Family Policy, *Keeping the Promise of Social Security for Ohio’s First Responders and Public Servants*, field hearing, 118th Cong., 2nd sess., June 7, 2024, https://www.finance.senate.gov/hearings/keeping-the-promise-of-social-security-for-ohios-first-responders-and-public-servants.

[33] Jeffrey R. Brown and Scott Weisbenner, “The Distributional Effects of the Social Security Windfall Elimination Provision,” *Journal of Pension Economics and Finance*, vol. 12, no. 4 (October 2013), pp. 415-434, http://business.illinois.edu/weisbenn/RESEARCH/PAPERS/JPEF_Brown_Weisbenner.pdf.

- eliminating the GPO for some beneficiaries (H.R. 8487 and H.R. 8835), and
- revising the WEP formula (H.R. 4260 and H.R. 5342).

Between 2023 and 2024, Congress also held three hearings on issues directly related to the GPO and WEP.[34]

On September 10, 2024, Representative Graves filed a discharge petition on a special rule (H.Res. 1410) in the possession of the Rules Committee that would have provided for consideration of H.R. 82 on the House floor. On September 19, 2024, this discharge petition obtained the necessary 218 signatures to make it privileged for consideration by the full House.[35] The bill was ultimately passed by the House (in a vote of 327-75) on November 12, 2024; passed by the Senate (in a vote of 76-20) on December 21, 2024; and signed into law (P.L. 118-273) on January 5, 2025.

Social Security Administration (SSA)

On January 2, 2025, before the SSFA was signed into law, SSA created a dedicated web page to provide the public with information on the legislation. On January 6, 2025, SSA updated the web page to reflect the enactment of the law. Since then, the web page has been used to update SSA's progress in implementing the act.[36] On the initial web page, SSA instructed the public that additional actions were not necessary for most beneficiaries. In the past, some people who were eligible for Social Security benefits were deterred from filing for benefits because of the GPO or WEP. Based on SSA's instructions, those individuals could submit a benefit application online or schedule an appointment to apply,[37] and their benefits would not be reduced due to the two provisions.

On January 10, 2025, SSA issued an Emergency Message, which effectively removed the GPO and WEP reductions for most beneficiaries who would receive their initial benefits after January 2025:

> When adjudicating disability claims filed January 2025 or later and retirement, auxiliary spouse, and surviving spouse claims filed July 2024 or later, SSA will not reduce or offset Social Security benefits for individuals receiving pensions based on non-covered employment. They will receive benefits based on their Primary Insurance Amount (PIA) without a WEP offset and their Monthly Benefit Amount (MBA) without a GPO.[38]

[34] See U.S. Congress, House Committee on Ways and Means, Subcommittee on Social Security, *Field Hearing On Social Security's Disservice To Public Servants: How The Windfall Elimination Provision And Government Pension Offset Mistreat Government Workers*, 118th Cong., 1st sess., November 20, 2023, https://www.govinfo.gov/app/details/CHRG-118hhrg54810/CHRG-118hhrg54810/related; U.S. Congress, House Committee on Ways and Means, Subcommittee on Social Security, *Hearing on the Windfall Elimination Provision and Government Pension Offset*, 118th Cong., 2nd sess., April 16, 2024, https://www.govinfo.gov/app/details/CHRG-118hhrg56435/CHRG-118hhrg56435; U.S. Congress, Senate Committee on Finance, Subcommittee on Social Security, Pensions, and Family Policy, *Field Hearing on Keeping the Promise of Social Security for Ohio's First Responders and Public Servants*, 118th Cong., 2nd sess., June 7, 2024, https://www.finance.senate.gov/hearings/keeping-the-promise-of-social-security-for-ohios-first-responders-and-public-servants.

[35] See CRS Report R45920, *Discharge Procedure in the House*.

[36] SSA, "Social Security Fairness Act: Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) update," https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html.

[37] Starting on February 3, 2025, those individuals were offered an option to file benefit applications by phone.

[38] SSA, EM-25005 SEN, "Social Security Fairness Act of 2023 – Implementation Instructions for Certain Initial Claims, Repealing the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO)," https://secure.ssa.gov/apps10/reference.nsf/links/02052025082917AM/$file/EM-25005+SEN_Redacted.pdf.

On January 24, 2025, SSA updated its SSFA web page by adding and answering more questions. It identified that more than 3.2 million individuals had their Social Security benefits reduced or eliminated by the GPO or WEP. Under the SSFA, those affected beneficiaries could receive an increase in their monthly benefits and possibly past-due payments for benefits payable dated back to January 2024.

On February 25, 2025, SSA updated its SSFA web page to reflect the implementation of the past-due payments and future benefit increases. Affected beneficiaries could expect to see a one-time past-due payment starting the week of February 24, 2025, and a new increased monthly benefit starting in April 2025 (for benefits due in March 2025).[39] SSA also mailed affected beneficiaries to explain the benefit change or past-due payment. The agency noted that some cases might be very complex and would need to be done manually, which could take longer (up to one year).

Starting March 3, 2025, SSA periodically updated its progress in processing the past-due payments and future benefit increases. The agency also provided statistics on the new applications it received due to the SSFA. In the update on July 7, 2025 (the most recent one), the agency completed sending over 3.1 million payments totaling $17 billion to beneficiaries eligible under the SSFA.[40] According to SSA, the average retroactive payment was $7,208.[41] As of September 30, 2025, the agency had taken over 387,000 new initial claims since the SSFA was enacted, and these new beneficiaries may be entitled to some past-due payments.[42]

Railroad Retirement Board (RRB)

The Railroad Retirement Act authorizes retirement, disability, and survivor benefits for railroad workers and their families.[43] Railroad retirement annuities are divided into two tiers. Tier I annuities are designed to be nearly equivalent to Social Security benefits.[44] The Tier I payroll tax is the same as the Social Security payroll tax. Tier I annuities are calculated using the Social Security benefit formula and are based on both railroad retirement and Social Security–covered employment.[45] Tier II annuities are similar to private pensions and based solely on covered railroad service. Tier II annuities are paid in addition to Tier I annuities.

In the past, Tier I annuities for railroad workers, their spouses, or survivors might be reduced by the GPO or WEP if the annuitants also received a pension based on earnings not covered by Social Security.[46] Under the SSFA, the Tier I component of an affected railroad retirement employee, spouse, or survivor annuity is restored to its full amount for monthly annuities payable

[39] Social Security benefits are paid in the month that follows the month for which they are due. See SSA, *What You Need to Know When You Get Retirement or Survivors Benefits*, p. 1, https://www.ssa.gov/pubs/EN-05-10077.pdf.

[40] SSA, "Social Security Fairness Act: Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) Update," https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html.

[41] SSA, *Agency Financial Report FY2025*, January 2026, p. 179, https://www.ssa.gov/finance/2025/Full%20FY%202025%20AFR.pdf#page=181.

[42] SSA, *Agency Financial Report FY2025*, p. 179.

[43] See CRS Report RS22350, *Railroad Retirement Board: Retirement, Survivor, Disability, Unemployment, and Sickness Benefits*.

[44] Tier I annuities are more generous than Social Security benefits in certain situations. For example, at the age of 60, railroad workers with at least 30 years of covered railroad work may receive unreduced retirement annuities.

[45] For annuitants who are entitled to both railroad retirement annuities and Social Security benefits, Social Security benefits are subtracted from Tier I annuities, because work covered by Social Security is counted toward Tier I annuities. Beneficiaries insured by both systems receive a single check from the RRB. The SSFA did not change the existing laws that require the reduction of a railroad retirement annuity due to the receipt of any Social Security benefit.

[46] Railroad retirees whose *only* pensions are based on railroad employment were not previously affected by the WEP, thus not affected by the SSFA.

beginning January 2024. Affected annuitants could receive their future monthly annuity in full and a one-time lump sum past-due payment (if applicable).

After the SSFA was enacted, the RRB published information on the act's impact on Tier I annuities and its projected implementation timeline.[47] The agency then periodically updated its implementation progress. In its April 15, 2026, report (the most recent one), the RRB reported that it had completed all SSFA-related adjustments to monthly benefits and had completed issuing all past-due payments, totaling 12,319 cases and more than $106 million.[48]

Retroactivity of Benefit Application

Both the Social Security Act and the Railroad Retirement Act have requirements for retroactivity of benefit applications, governing the payment of benefits for months prior to the month of application during which time an individual met all applicable eligibility requirements.

Social Security Benefits

The Social Security Act authorizes retroactive payments for Social Security retirement and survivor benefits under Section 202(j) (42 U.S.C. §402(j)) and for disability benefits under Section 223(b) (42 U.S.C. §423(b)).

The availability and length of retroactive benefits depend on the claimant's age at filing and the type of benefit claimed. In general, retroactive benefits are not payable to retired workers or their spouses who file before reaching the full retirement age (FRA; ranging from age 65 to 67 depending on the year of birth). Individuals who file for retirement benefits after attaining FRA may receive up to six months of retroactive benefits. However, if an individual files fewer than six months after reaching FRA, retroactive benefits are limited to the months beginning with attainment of FRA.

Retroactivity for widow(er)'s benefits generally follows rules similar to those for retirement benefits (up to six months in most cases), subject to certain exceptions.[49] Disabled workers, their dependents, and disabled widow(er)s may qualify for up to 12 months of retroactive benefits provided all eligibility criteria are met during those months.

Railroad Retirement Benefits

The Railroad Retirement Act authorizes retroactive payments for railroad retirement, disability, and survivor benefits under Section 5(a) (45 U.S.C. §231d(a)).

Depending on the type of annuity application, the retroactivity can be as long as one year or there can be no retroactivity. The retroactivity of annuity applications is limited to one year for disability annuities and six months for full age annuities—that is, retirement and survivor annuity applications filed at the FRA or above. There is generally no retroactivity for reduced-age annuities (i.e., applications filed before the FRA).[50]

Interaction with the Social Security Fairness Act (SSFA)

The six-month retroactivity limit applicable to retirement and survivor benefit applications under the Social Security Act and the Railroad Retirement Act may adversely affect certain individuals eligible under the SSFA who filed applications after January 5, 2025, and sought past-due benefit payments beginning in January 2024.

Historically, many spouses and widow(er)s subject to the GPO did not apply for Social Security benefits because their benefits would have been fully offset (benefits reduced to zero), and SSA informed some individuals that filing applications would not result in payable benefits. As a result, some individuals affected by the GPO were

[47] For example, see RRB, "Q&A: The Social Security Fairness Act and its Impact on Railroad Retirement Annuities," March 2025, https://www.rrb.gov/Newsroom/NewsReleases/QA-SSFA.

[48] RRB, "Frequently Asked Questions about the Social Security Fairness Act," updated April 15, 2026, https://www.rrb.gov/SSFActFAQ. The amount of adjustment payments is only for larger scale automation runs. Cases processed manually or through smaller scale automation runs are not included in this count.

[49] SSA, Program Operations Manual System, "GN 00204.030 Retroactivity for Title II Benefits," https://secure.ssa.gov/poms.nsf/lnx/0200204030.

[50] The railroad retirement annuities of employee with 30 years of service retiring after the first full month they are age 60 can begin with the first day they are eligible, with up to six months' retroactivity. Retroactivity for widow(er)s aged 60-61 is six months if it does not increase the age reduction for annuities. For more information, see RRB, *Railroad Retirement Handbook 2024*, https://www.rrb.gov/sites/default/files/2024-10/2024_Railroad_Retirement_Handbook.pdf.

effectively deterred from filing. (In contrast, the WEP generally reduced benefits for affected retired or disabled workers but typically did not reduce them to zero.)

Following enactment of the SSFA, many of these individuals filed applications for benefits. However, because the SSFA did not amend the statutory provision governing retroactivity of benefit applications, these applicants generally remain subject to the six-month retroactivity limit. For example, a 70-year-old individual whose spousal or survivor benefit would have been fully offset under the GPO files an application on February 5, 2025. Under current retroactivity rules, that individual may receive past-due benefits for up to six months prior to the month of filing—that is, for benefits payable from August 2024 through January 2025. By contrast, had the individual filed before January 2024 (e.g., upon attaining FRA), no benefits would have been payable at that time due to the GPO. However, following enactment of the SSFA, the individual could have received payment adjustments for benefits payable beginning in January 2024.

As of August 27, 2025, SSA had received 164,434 new initial claims since January 2025 from spouses and widow(er)s who would previously have been affected by the GPO if the SSFA had not become law.[51] At the time of this report, CRS has not identified comparable data from the RRB.

Impact

This section discusses the impact of the SSFA on existing and prospective beneficiaries who would otherwise have been affected by the GPO or WEP, as well as its effects on the solvency and administration of Social Security, railroad retirement, and related programs.

Beneficiaries Affected

The SSFA may affect both existing Social Security and railroad retirement beneficiaries (as of January 5, 2025) and prospective beneficiaries who file benefit applications after the SSFA was enacted.

Existing Beneficiaries

As of January 2025, SSA identified about 2.8 million individuals who had their Social Security benefits reduced or eliminated by the GPO or WEP.[52] RRB reported that more than 12,000 individuals had the Tier I component of their annuities affected by the GPO or WEP.[53] Under the SSFA, those affected beneficiaries were expected to receive an increase in their monthly benefits and might also receive past-due payments for benefits payable dated back to January 2024.

The Congressional Budget Office (CBO) estimated that eliminating the GPO would increase monthly benefits in December 2025 by an average of $700 for affected spousal beneficiaries and by an average of $1,190 for affected widow(er) beneficiaries.[54] CBO estimated that repealing the WEP would increase monthly benefits in December 2025 by $360 on average for affected worker beneficiaries and their dependents. The actual increases in monthly benefits depend on each individual's case and other adjustments.

Table 2 presents the number of beneficiaries and the amount of past-due payments affected by the SSFA, by state. The table includes only cases processed through large-scale automated runs

[51] CRS received the information from SSA in August 2025.

[52] SSA, "Social Security Fairness Act: Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) Update," https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html.

[53] RRB, "Frequently Asked Questions about the Social Security Fairness Act," updated April 15, 2026, https://www.rrb.gov/SSFActFAQ.

[54] Congressional Budget Office (CBO), *Cost Estimate for H.R. 82, Social Security Fairness Act of 2023*, September 9, 2024, https://www.cbo.gov/system/files/2024-09/hr82.pdf.

conducted by SSA and RRB; it excludes cases processed manually or through smaller-scale automation. Overall, the table captures approximately 86% of affected Social Security beneficiaries and 67% of affected railroad retirement annuitants.

All 50 states, the District of Columbia, outlying areas (including American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands), and foreign countries had Social Security and railroad retirement beneficiaries affected by the GPO or WEP, but the number of affected beneficiaries varied widely by state.

- Nine states (*from largest to smallest*: California, Texas, Ohio, Illinois, Florida, Massachusetts, Colorado, Louisiana, and Georgia) accounted for about 60% of affected beneficiaries and 64% of past-due payments (see **Table 2**).
- In Alaska, California, Colorado, Illinois, Louisiana, Massachusetts, Maine, Nevada, Ohio, Texas, the District of Columbia, Guam, the Northern Mariana Islands, and foreign countries, more than 5% of Social Security beneficiaries within each state received past-due payments under the SSFA (see **Figure 1**).

Table 2. Number of Beneficiaries and Past-Due Benefit Payments Under the SSFA, by Program and State

Cases processed through large-scale automation runs

	Social Security (as of July 7, 2025)		Railroad Retirement (as of February 24, 2026)	
State or Territory	**Count**	**Payment (in thousands of $)**	**Count**	**Payment (in thousands of $)**
Alabama	18,022	124,943	60	654
Alaska	14,801	98,591	6	35
Arizona	43,237	281,945	105	1,325
Arkansas	11,358	75,790	66	994
California	347,635	2,624,629	688	8,819
Colorado	91,241	599,434	307	4,277
Connecticut	28,659	247,580	34	691
Delaware	4,859	30,618	24	319
District of Columbia	7,228	54,149	22	322
Florida	119,202	781,319	310	3,936
Georgia	65,162	482,472	246	3,888
Hawaii	12,252	69,625	X	99
Idaho	10,953	69,388	25	180
Illinois	134,434	1,105,901	730	10,622
Indiana	19,659	135,531	92	1,028
Iowa	8,927	57,532	58	738
Kansas	10,159	66,602	85	878
Kentucky	34,305	297,847	258	4,955
Louisiana	79,779	669,191	376	5,568

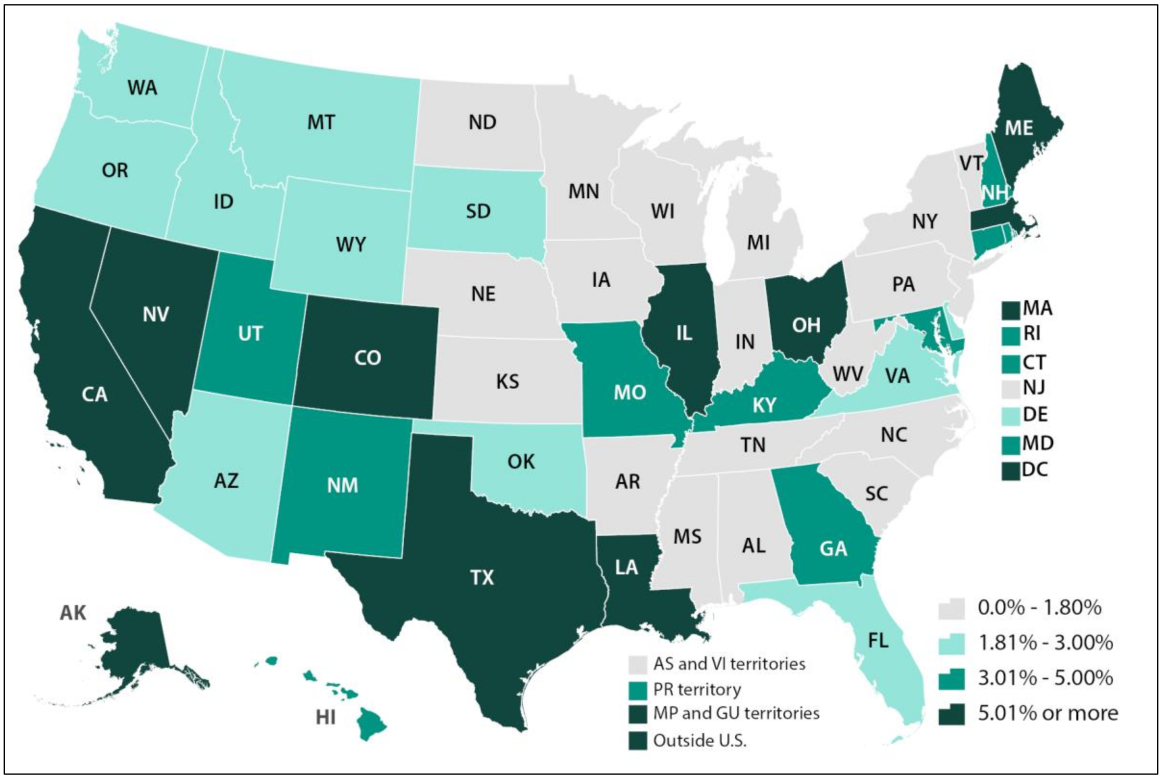
	Social Security (as of July 7, 2025)		Railroad Retirement (as of February 24, 2026)	
State or Territory	**Count**	**Payment (in thousands of $)**	**Count**	**Payment (in thousands of $)**
Maine	25,398	184,536	49	672
Maryland	47,550	330,021	144	2,417
Massachusetts	117,266	939,096	155	2,116
Michigan	25,046	165,010	54	807
Minnesota	17,873	125,046	71	890
Mississippi	10,339	74,800	35	513
Missouri	51,563	401,277	297	5,048
Montana	7,038	42,792	39	398
Nebraska	5,999	38,252	74	809
Nevada	45,220	315,324	89	1,096
New Hampshire	10,838	76,376	10	155
New Jersey	23,543	149,443	57	643
New Mexico	15,086	96,688	42	512
New York	31,623	186,685	63	811
North Carolina	33,748	227,233	73	988
North Dakota	2,427	15,301	14	214
Ohio	227,974	1,854,377	808	10,363
Oklahoma	18,050	115,487	39	457
Oregon	20,211	131,478	50	552
Pennsylvania	37,245	239,683	170	2,106
Rhode Island	7,766	59,196	8	101
South Carolina	21,308	147,846	59	845
South Dakota	4,067	24,858	13	189
Tennessee	25,445	178,427	90	1,598
Texas	267,559	1,942,054	1,018	14,947
Utah	15,224	93,754	61	790
Vermont	2,772	18,354	6	40
Virginia	47,338	309,792	140	2,519
Washington	36,898	228,434	76	764
West Virginia	6,466	43,053	38	679
Wisconsin	14,071	93,369	39	518
Wyoming	3,058	18,456	29	475
Outlying Areas				

State or Territory	Social Security (as of July 7, 2025)		Railroad Retirement (as of February 24, 2026)	
	Count	Payment (in thousands of $)	Count	Payment (in thousands of $)
American Samoa	13	88	—	—
Guam	3,432	20,557	—	—
Northern Mariana Islands	834	3,983	—	—
Puerto Rico	29,227	202,100	—	—
U.S. Virgin Islands	396	1,797	—	—
Foreign countries	75,737	313,638	603	1,828
Total	**2,397,520**	**17,281,751**	**8,005**	**106,186**

Source: SSA, "Social Security Fairness Act: Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) Update," https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html; RRB, "Frequently Asked Questions about the Social Security Fairness Act," updated April 15, 2026, https://www.rrb.gov/SSFActFAQ.

Notes: SSFA is the Social Security Fairness Act of 2023. Dashes are for values not available. "X" are values suppressed to avoid disclosing information of individuals. Affected Social Security beneficiaries in U.S. overseas military bases (about 150) are not shown in the table. Total amounts may not equal the sum of components due to rounding. The amounts in this table are only for larger scale automated runs. Cases processed manually or through smaller scale automated runs are not included in this table.

Figure 1. Share of Social Security Beneficiaries Who Received Past-Due Payments Under the SSFA, by State



Source: Data compiled by CRS based on SSA, "Social Security Fairness Act: Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) Update," https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html and SSA, *Annual Supplemental Statistics, 2025*, Table 5J.2, https://www.ssa.gov/policy/docs/statcomps/supplement/2025/5j.html#table5.j2.

Notes: SSFA is the Social Security Fairness Act of 2023. The amounts in this figure are only for larger scale automated runs. Cases processed manually or through smaller scale automation runs are not included in this figure.

Prospective Beneficiaries

The SSFA may also affect current workers who have work experience in jobs that are not subject to the Social Security payroll tax and are potentially entitled to pensions based on those noncovered earnings in the future. In the past, those workers might have been affected by the GPO or WEP when they retired. Under the SSFA, their future Social Security monthly benefits are no longer subject to the two provisions.

Those prospective beneficiaries may include, for example, about 6.3 million (2023 data) state and local government employees covered by alternative retirement systems through their employers and 21,800 (FY2025 data) permanent civilian federal employees covered by the CSRS, who were generally first hired before January 1, 1984.[55]

[55] U.S. Office of Personnel Management, *Civil Service Retirement and Disability Fund Annual Report*, *Fiscal Year Ended September 20, 2025*, April 2026, p. 19, https://www.opm.gov/about-us/reports-publications/agency-reports/fy-2025-csrdf-annual-report.pdf.

Social Security Solvency and Administration Costs

The SSFA has implications for Social Security, including effects on the program's solvency and administrative costs.

Program Solvency

CBO estimated that the act would increase direct spending by about $198 billion over the period FY2024-FY2034.[56] Under its 2024 baseline projections, CBO estimated that the combined Social Security trust funds were projected to be exhausted in FY2034, and that the act would advance the exhaustion date by roughly six months.[57] Following the trust funds' exhaustion, ongoing revenue from Social Security will be available to pay only a proportion of scheduled benefits. CBO estimated that the act would reduce the proportion from 78.3% to 77.7%.

According to the Board of Trustees' 2025 annual report on the Social Security trust funds, the SSFA reduced the long-range actuarial balance (i.e., increased the net long-term cost) by 0.14% of taxable payroll.[58]

Overpayments

In the past, incorrect application of the GPO and WEP policy was a major cause of Social Security overpayments.[59] Specifically, a lack of data on receipt of pensions based on noncovered employment contributed to the overpayments attributable to the GPO and WEP.[60] The SSFA removes one of the root causes of calculation errors of Social Security improper payments. In addition, SSA no longer needs to collect information on noncovered pensions for GPO or WEP purposes. Some workloads that SSA could reduce associated with these provisions include applying the GPO or WEP calculation manually, verifying benefits from noncovered pensions, and processing related overpayments. Social Security beneficiaries who had overpayments due to the incorrect application of the GPO or WEP provisions may receive relief if the overpaid amounts occurred after December 2023.

Other Programs

The SSFA will also affect entitlement under other programs. For example, Tier I railroad retirement benefits will generally increase for beneficiaries who were previously affected by the GPO or WEP. Tier I benefits may also increase for future beneficiaries who become entitled to a pension based on earnings not covered by Social Security (i.e., Tier I) payroll taxes. Tier I benefits are financed through Tier I payroll taxes and financial interchange transfers from the Social Security trust funds to the railroad retirement system. The purpose of the financial

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[56] CBO, *Cost Estimate for H.R. 82, Social Security Fairness Act of 2023*, September 9, 2024, https://www.cbo.gov/system/files/2024-09/hr82.pdf.

[57] CBO, *Long-Term Effects of H.R. 82, the Social Security Fairness Act of 2023*, November 8, 2024, p. 4, https://www.cbo.gov/system/files/2024-11/60876-HR82.pdf.

[58] The Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust, *The 2025 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, June 18, 2025, p. 80, https://www.ssa.gov/OACT/TR/2025/tr2025.pdf. Taxable payroll is the total amount of earnings in the economy that is subject to Social Security payroll and self-employment taxes (with some adjustments).

[59] See CRS Report R48251, *Overpayments in the Social Security Administration's Programs: In Brief*.

[60] SSA, OIG, *Government Pension Data for the Windfall Elimination Provision and Government Pension Offset Determinations*, September 28, 2023, p. 5, https://oig.ssa.gov/assets/uploads/a-13-20-50970.pdf.

interchange is to place the Social Security trust funds in the same position they would have been in had railroad employment been covered under Social Security since that program's inception.[61] As a result, the additional Tier I benefit costs associated with the SSFA will likely be borne by the Social Security trust funds.

In addition, some recipients of the Supplemental Nutrition Assistance Program (SNAP) may experience income increases because of the SSFA, potentially causing them to lose eligibility for or receive lower benefits from SNAP.[62] CBO estimated that eliminating the GPO and WEP would reduce SNAP spending by about $2.2 billion between FY2024 and FY2034.[63]

Issues and Policy Options

As discussed above, the GPO and WEP were provisions designed to address unintended overgenerous benefits that the Social Security benefit formula may provide to individuals with earnings from jobs not covered by Social Security. Researchers generally agree that the pre-SSFA GPO and WEP could approximately—not perfectly—reduce these "overgenerous" benefits. Some argue that the Social Security formula misclassifies many high-income noncovered workers as steady low-income covered workers, resulting in unintended windfall benefits, and that the SSFA worsened this problem.[64] Others contend that the SSFA eliminated two complex and poorly understood provisions and that its passage may present an opportunity to make further changes to Social Security coverage or the treatment of noncovered earnings. Such changes might include, for example, extending Social Security coverage to the entire workforce or developing a better-targeted benefit formula for individuals with earnings from noncovered employment.[65]

Mandatory Social Security Coverage

Congress established the GPO and WEP mainly because some workers were not covered by the Social Security program, creating inequalities in benefits between individuals whose entire careers were covered under the system and those who had noncovered earnings. Historically, federal, state, and local government employees made up the largest group of workers who did not participate in Social Security. Over time, some government employees became covered by Social Security, thereby exempting themselves from the GPO or WEP offsets.

[61] The railroad retirement system and the Social Security system have been coordinated financially since 1951 (P.L. 82-234). The financial interchange involves computing the amount of Social Security taxes that would have been collected on railroad employment and computing the amount of additional benefits that Social Security would have paid to railroad retirement beneficiaries during the same fiscal year. When benefit reimbursements exceed payroll taxes, the difference, with an allowance for interest and administrative expenses, is transferred from the Social Security trust funds to the Social Security Equivalent Benefits Account. If taxes exceed benefit reimbursements (this has not happened since 1951), a transfer would be made in favor of the Social Security trust funds.

[62] See CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*.

[63] CBO, *Cost Estimate for H.R. 82, Social Security Fairness Act of 2023*, September 9, 2024, pp. 3 and 5, https://www.cbo.gov/system/files/2024-09/hr82.pdf.

[64] For example, see Andrew Biggs, *The Spanberger-Graves Social Security Fairness Act is Unfair*, Thomas Jefferson Institute for Public Policy, October 12, 2024, https://www.thomasjeffersoninst.org/the-spanberger-graves-social-security-fairness-act-is-unfair/; and Charles Blahous, *A Guide to Designing Social Security Reforms*, Mercatus Center, George Mason University, October 2025, https://www.mercatus.org/research/policy-briefs/guide-designing-social-security-reforms.

[65] For example, see Alicia Munnell, *The Social Security Fairness Act is a Bad Idea*, Center for Retirement Research at Boston College, December 10, 2024, https://crr.bc.edu/the-social-security-fairness-act-is-a-bad-idea/; and Mark J. Warshawsky, "Reforming Social Security," *National Affairs*, no. 67 (Spring 2026), https://www.nationalaffairs.com/publications/detail/reforming-social-security.

Federal Civilian Employees

Before 1984, most federal employees were covered under CSRS. CSRS is considered a noncovered pension under Social Security rules because employees generally do not pay Social Security taxes on their federal earnings. As a result, CSRS retirees were often subject to the GPO or WEP.

In 1983, Congress mandated Social Security coverage for federal employees hired on or after January 1, 1984. To accommodate this change, the Federal Employees Retirement System (FERS) was established as a separate retirement program for employees hired in 1984 and later. FERS consists of three components: the basic FERS annuity (including the FERS annuity supplement for eligible retirees), Social Security, and the Thrift Savings Plan.[66] Because FERS was designed to coordinate with Social Security, FERS retirees generally were not affected by the GPO or WEP.

After the establishment of FERS, the number of employees and retirees covered under CSRS gradually declined. Because the number of CSRS retirees remained relatively stable compared with the growing population of noncovered state and local government employees, the share of GPO-WEP-affected Social Security beneficiaries receiving CSRS benefits declined over time. In 2001, for example, CSRS retirees accounted for approximately 54% of WEP-affected beneficiaries; by 2019, that share had fallen to 34%.[67]

State and Local Government Employees

Social Security coverage is voluntary for state and local government employees who are covered by qualifying public retirement systems. These employees may elect Social Security coverage through Section 218 Agreements between the states and the SSA.[68] Coverage is typically extended through referendums conducted at the state's discretion. By contrast, Social Security coverage is mandatory for state and local government employees who are not covered by an alternative retirement system.

In general, Section 218 Agreements may be modified to expand (but not reduce) the extent of Social Security coverage. Once coverage is extended to a group of employees, it cannot be terminated, and all future employees in covered positions are required to participate in Social Security.

Most state and local government employees participate in Social Security. In 2023, there were approximately 22.9 million state and local government employees, and about 6.3 million (27%) did not have Social Security coverage through their government employment.[69] Most of these noncovered employees are police officers, firefighters, and teachers.

Historically, Congress has provided exemptions from Social Security benefit offsets for certain state and local government employees who elected Social Security coverage. When the GPO was enacted, it included a "last-day" provision that exempted individuals from the GPO if they worked in a Social Security–covered position on their final day of government service. In 2004, Congress eliminated this exception by requiring employees who transferred from noncovered

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[66] For more information, see CRS Report 98-810, *Federal Employees' Retirement System: Benefits and Financing*.

[67] Data received by CRS from CBO in December 2024.

[68] Section 218 Agreements are governed by Section 218 of the Social Security Act (42 U.S.C. §418) and the *Code of Federal Regulations* (20 C.F.R. §§404.1200-404.1219).

[69] See CRS Report R46961, *Social Security Coverage of State and Local Government Employees*.

positions to Social Security-covered positions to work in the covered position for at least 60 months (five years) to qualify for an exemption from the GPO.[70]

Before the enactment of the SSFA, approximately two-thirds of GPO and WEP cases involved former state and local government employees.[71] Requiring mandatory Social Security coverage for all newly hired state and local government employees would eventually eliminate these post-SSFA benefit advantages.

Proportional Formulas

Legislative proposals had been introduced to substitute the pre-SSFA GPO and WEP with respective *proportional* formulas that would calculate Social Security benefits based on earnings from both covered and noncovered employment. Supporters of the proportional formula have argued that it is a more accurate method to treat noncovered employment, because it would provide the same replacement rate for beneficiaries with noncovered earnings and beneficiaries whose entire careers are covered by Social Security.

Proportional GPO

Ideally, the way to compute the GPO offset is to replicate the dual entitlement rule. Under the dual entitlement rule, the reduction to the spousal or widow(er)'s benefit is the Social Security worker's benefit, that is, by applying the Social Security benefit formula to all of the spouse's or widow(er)'s Social Security-covered earnings. To mimic that approach, in cases where the spouse's or widow(er)'s entire career was not covered by Social Security, the GPO reduction would be an amount equivalent to applying the Social Security benefit formula to all those noncovered earnings.[72] All covered and noncovered earnings have been reported to SSA on Form W-2 since 1978.[73] Although some initial records were incomplete or duplicative, sufficient earnings records over a worker's entire working life are now available to SSA. Because such data are available, the offset based on both spouses' or widow(er)s' covered and noncovered earnings is now an option for Congress to consider.[74]

[70] P.L. 108-203. The new GPO provision became effective for Social Security spousal benefit applications filed after March 31, 2004.

[71] Glenn R. Springstead, "The Social Security Windfall Elimination Provision: Issues and Replacement Alternatives," *Social Security Bulletin*, vol. 79, no. 3 (August 2019), pp. 1-19, https://www.ssa.gov/policy/docs/ssb/v79n3/.

[72] In cases where a spouse's career is split between covered and noncovered jobs, the GPO reduction would be the Social Security benefit based on total earnings minus the Social Security benefit based on covered earnings—that is, the part of the Social Security benefit based on total earnings that are attributable to noncovered earnings. In this situation, the person might be entitled to both Social Security worker's benefits and spousal or widow(er)'s benefits (i.e., dully entitled), and the person might be affected by both the WEP and the GPO. The person's Social Security worker's benefit might be reduced by the WEP, and the person's Social Security spousal or widow(er)'s benefit might be reduced by both Social Security worker's benefit (affected by the WEP) and the GPO reduction. For more information, see CRS Report R45845, *Social Security: Beneficiaries Affected by Both the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO)*.

[73] Anya Olsen and Russell Hudson, "Social Security Administration's Master Earnings File: Background Information," 2009, *Social Security Bulletin*, vol. 69, no. 3 (October 2009), https://www.ssa.gov/policy/docs/ssb/v69n3/v69n3p29.html.

[74] The President's budget for FY2017 included a proposal to modify the GPO based on both spouses' covered and noncovered earnings. For more information, see SSA, "Statement of Stephen C. Goss, Chief Actuary Social Security Administration Testimony before the House Committee on Ways and Mean, Subcommittee on Social Security," March 22, 2016, https://www.ssa.gov/legislation/testimony_032216.html.

Proportional WEP

The proportional formula for the WEP would apply the regular Social Security benefit formula to all past earnings up to the taxable maximum from both covered *and* noncovered employment. The resulting benefit would then be multiplied by the ratio of career-average earnings (AIME) from covered employment only to career-average earnings (AIME) from both covered and noncovered employment. By concept, the PIA under the proportional formula (i.e., proportional PIA) would be as follows:

$$Proportional\ PIA = PIA\ for\ all\ Earnings \times \frac{AIME\ for\ Covered\ Earnings}{AIME\ for\ all\ Earnings}$$

In other words, Social Security benefits would be calculated based on a worker's combined covered and noncovered earnings, but only the portion based on covered earnings would be payable as the Social Security benefit.

It is worth noting that, under the proportional formula, Social Security beneficiaries with some earnings from noncovered employment would receive the same replacement rate (the ratio of PIA to AIME) for covered earnings as similarly situated workers who spent their entire careers in covered employment, regardless of earnings levels, years of covered earnings, or the timing of those covered earnings.[75]

Legislative Proposals Based on the Proportional WEP

Proposals in the 1980s

In 1981, proposals to address Social Security benefits for individuals receiving pensions from noncovered employment were discussed as part of broad reform efforts to address Social Security's financing issues, which were a major concern at the time.[76]

In January 1983, the National Commission on Social Security Reform (NCSSR, better known as the Greenspan Commission) recommended eliminating the windfall portion of benefits for individuals who received a pension based on noncovered employment. The two methods discussed above were suggested: (1) the proportional formula based on covered and noncovered earnings, and (2) the modified benefit formula, substituting the 90% replacement factor with 32%, which was similar to the old-law WEP.[77]

In the same year, SSA offered comments on the two methods. The agency indicated that the proportional formula would be the most conceptually appropriate but would require SSA to maintain detailed records on workers' noncovered earnings in a manner comparable to the current covered earnings record operations, which would have required extensive data reporting, maintenance, and correction processes, and could likely not have been done quickly or without severely disrupting its then-plan to modernize its systems. In contrast, SSA indicated that the modified benefit formula based on the replacement factor would achieve the proportional formula's approximate results and be vastly easier to administer. SSA also recommended lowering the 90% replacement factor to 61% (the midpoint between the 90% factor and the 32% factor), as the 32% replacement factor would over adjust for the windfall.[78]

In March 1983, Congress incorporated the NCSSR's recommendations (with some modifications), along with additional provisions to resolve the remaining long-range deficit, into the Social Security Amendments of 1983

[75] See CRS Report R46194, *The Windfall Elimination Provision (WEP) in Social Security: Comparing Current Law with Proposed Proportional Formulas*.

[76] See CRS Report RL30920, *Social Security: Major Decisions in the House and Senate Since 1935*.

[77] For more information, see National Commission on Social Security Reform, *Report of the National Commission on Social Security Reform*, January 1983, https://books.google.com/books?id=v67mAP3txuwC&pg=PP1#v=onepage&q&f=false.

[78] SSA, Office of Legislative and Regulatory Policy, *Eliminate Windfall Benefits Due to Noncovered Employment*, January 21, 1983, pp. 1-2, unpublished (copy on file with the author).

(P.L. 98-21). The conference agreed that the 90% replacement factor in the regular benefit formula would be substituted with a 40% replacement factor (phased in over five years), as in the old law.

Proposals from 2004 to Present

Since 2004, various bills have been introduced to replace the old WEP formula with the proportional formula based on both covered and noncovered earnings.[79] Partly because all covered and noncovered earnings have been reported to SSA on Form W-2 since 1978, sufficient earnings records are now available to apply the proportional formula. Thus, a previous major area of concern for administering a proportional formula has been alleviated.

For example, S. 113 and H.R. 2797 in the 112th Congress would have applied the proportional formula to all beneficiaries (both current and future beneficiaries) after 1985 and provided a no-benefit-cut or *hold harmless* provision to beneficiaries who had worked in noncovered positions prior to one year after the bill's enactment. In a somewhat different approach, H.R. 4260 and H.R. 5342 in the 118th Congress would have applied the proportional formula to beneficiaries becoming eligible after a certain date, such as December 31, 2024; provided a rebate to beneficiaries affected by the old-law WEP; and mandated a no-benefit-cut provision for some or all future beneficiaries.[80] The above two bills introduced in the 118th Congress also included provisions to require SSA to show noncovered as well as covered earnings records on Social Security statements and to require studies on ways to facilitate data exchanges between SSA and state and local governments to improve then-current-law WEP administration. SSA's Office of the Chief Actuary estimated that the proportional WEP formula proposed in H.R. 4260 and H.R. 5342 would have cost $1.5 billion from 2023 through 2032 (net of additional revenue from income taxation).[81]

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[79] In 2004, S. 2455 was introduced by Sen. Kay Bailey Hutchison and H.R. 4391 was introduced by Rep. Kevin Brady to replace the current WEP with a proportional formula.

[80] For more information, see CRS In Focus IF11355, *The Windfall Elimination Provision (WEP) in Social Security: Proposals for a New Proportional Formula*. Similar bills were introduced in the 116th Congress (e.g., H.R. 3934 and H.R. 4540) and the 117th Congress (e.g., H.R. 2337 and H.R. 5834).

[81] Letter from Stephen C. Goss, former Chief Actuary, SSA, to the Honorable Richard Neal, U.S. House, June 21, 2023, https://www.ssa.gov/OACT/solvency/RNeal_20230621.pdf; and Letter from Stephen C. Goss to the Honorable Jodey Arrington, U.S. House, September 5, 2023, https://www.ssa.gov/OACT/solvency/JArrington_20231016.pdf. Both estimates were based on the updated baseline of the 2023 Social Security trustees report intermediate projections.

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