



House of Representatives Bill 82 Social Security Fairness Act of 2023

This bill repeals provisions that reduce Social Security benefits for individuals who receive other benefits, such as a pension from a state or local government, such as CalSTRS. The bill eliminates the government pension offset (GPO), which in various instances reduces Social Security benefits for spouses, widows, and widowers who also receive government pensions of their own. The bill also eliminates the windfall elimination provision (WEP), which in some instances reduces Social Security benefits for individuals who also receive a pension or disability benefit from an employer that did not withhold Social Security taxes, such as a school district in California.

These changes are effective for benefits payable *after* December 2023.

WEP is a formula applied by the Social Security Administration that can reduce the size of your Social Security retirement or disability benefit. It applies to people with a combination of Social Security-covered employment and non-covered employment (e.g. a teacher in California who had other jobs that paid into Social Security). It impacts retirees who participated in a public pension system in one of 15 states that do not pay into Social Security for public employees (including CA); and Paid Social Security taxes while at other jobs at other points in their careers.

An example of this would be a person who worked at a private company before getting into teaching or a school nurse who works extra shifts at a hospital.

The WEP reduction does not apply to workers with fewer than 10 years (40 quarters) of employment covered by Social Security. So, for example, if you taught for decades and worked five summers outside the school system, WEP would not impact you.

The WEP reduction does not apply to workers with more than 30 years of substantial earnings from employment covered by Social Security. So, for example, if you worked in the private sector for 30 years and then worked as a substitute teacher, WEP would not apply to you.

The **GPO** reduces the spousal or widow(er) benefit by two-thirds of the monthly non-covered pension and can partially, or fully, offset an individual's spousal/widow(er) benefit, depending on the amount of the non-covered pension.

For instance, an individual with a \$900 spousal benefit from Social Security, who also has a \$1,000 non-covered pension like CalSTRS, would see their Social Security benefit reduced by \$667, or two-thirds the non-covered pension amount. That leaves them with a \$233 remaining spousal benefit. If the GPO measure is repealed, the same individual would be entitled to the entire \$900 spousal benefit amount without an offset reduction.