

FACT V. FICTION

Windfall Elimination Provision (WEP) and Government Pension Offset (GPO)

Fiction: *People subject to the WEP and GPO did not pay into Social Security.*

Fact: The WEP is applied against individuals who contributed to Social Security and worked in non-Social Security employment. The WEP reduces earned Social Security benefits if a person has not worked a full lifetime in Social Security covered employment and the person collects a public pension. The GPO, on the other hand, affects the spousal benefit only if an individual worked in other non-Social Security employment. If the spouse did not work at all there is no GPO applied to the spousal benefit.

Fiction: *The surviving spouse under GPO is treated the same as a surviving spouse who is not subject to the GPO.*

Fact: Spouses who did not work at all are not affected by the GPO. Spouses who worked in Social Security with very low earnings but have a private pension, also are not affected by the GPO. The argument that the GPO simply is consistent with the dual earner provisions of Social Security is partially accurate during the time both spouses are alive but is not correct once the Social Security spouse dies.

Fiction: *Repealing the GPO would create inequity compared to dual earner provisions.*

Fact: The spousal benefit helps people who are divorced from their Social Security higher earner spouse. Because the United States has a high divorce rate, this means many retired educators are penalized by the GPO while their higher earner former spouse is still alive. The survivor benefit was paid for by the Social Security earner as part of the Social Security payroll tax. The survivor benefit was created to ensure that the surviving spouse was not put into poverty. The effect of the GPO, however, can totally eliminate the survivor benefit. When the GPO is applied to the survivor benefit, it does create poverty for the surviving spouse.

Information in this document cited from the California Retired Teachers Association.



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