



Social Security Fairness Act: Repealing the Windfall Elimination Provision and Government Pension Offset

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Introduction

On January 5, 2025, the President signed the [Social Security Fairness Act](#) (the Act) into law. The Act repealed two federal laws—the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) provision—which can reduce Social Security benefits when someone receives a pension for work on which they did not pay Social Security taxes. The Act is retroactive to January 2024, meaning December 2023 is the last month the WEP and GPO apply.

The Social Security Administration (SSA) started issuing lump-sum payments to retirees in February 2025, effectively returning any withheld benefits from January 2024 onward. The SSA also began adjusting new monthly benefit totals for retirees. Social Security payments are paid out a month behind (i.e., January benefits are received in February), and most retirees started to receive their increased benefits in April 2025. See [Social Security Fairness Act: Windfall Elimination Provision \(WEP\) and Government Pension Offset \(GPO\) update, SOCIAL SECURITY ADMINISTRATION \(last updated July 21, 2025\)](#).

The Act repealed the WEP and GPO only for current and future retirees. The law has not changed the eligibility requirements for Social Security retirement benefits or Social Security Disability Insurance (SSDI) in any way.

Background

In the United States, many state and local government employees do not participate in Social Security, and, therefore, are not covered by it. See [Laura D. Quinby, Jean-Pierre Aubry, and Alicia H. Munnell, Pensions for State and Local Government Workers Not Covered by Social Security: Do Benefits Meet Federal Standards?, 80 SOCIAL SECURITY BULLETIN NO. 3 \(2020\)](#). In Minnesota, members of the Public Employees Retirement Association (PERA) Police & Fire Retirement Plan, Minnesota State Retirement System (MSRS) State Patrol Retirement Plan, and a few longer service members of the PERA General Employees Retirement Plan, PERA Local Government Correctional Retirement Plan, Teachers Retirement Association (TRA), and St. Paul Teachers Retirement Fund Association (SPTRFA) do not participate in Social Security. However, these public employees may have had other employment covered by Social Security, or they may be entitled to spouse or survivor benefits through a spouse's Social Security earnings, in which case the WEP and GPO may have reduced their Social Security benefits. See [Congress Repeals Social Security Benefit Reductions for Public Employees, ICE MILLER LLP \(Dec. 26, 2024\)](#).

Congress passed legislation reducing Social Security benefits through the GPO and WEP in 1977 and 1983, respectively. As explained by the SSA on its website, Congress passed the GPO in 1977 to help ensure that spousal or widow(er) benefits of those with covered or non-covered lifetime earnings would be roughly equal. Under Social Security's dual-entitlement rule, spouses with their own covered earnings have their spousal benefits offset dollar-for-dollar by their own earned benefit. The GPO has a similar intention--the offset originally was dollar-for-dollar for non-covered pensions, but Congress reduced it to two-thirds in 1983. Congress passed the WEP in 1983 to prevent workers who receive non-covered pensions from receiving higher Social Security benefits as if they were long-time, low-wage earners.

As of December 2023, the WEP impacted about 2 million Social Security beneficiaries, and the GPO impacted nearly 750,000 retirees. See [Zhe Li, *Social Security: The Windfall Elimination Provision \(WEP\) and the Government Pension Offset \(GPO\)*, CONGRESSIONAL RESEARCH SERVICE \(Feb. 28, 2024\)](#). Although legislation was reintroduced to Congress to repeal the WEP and GPO continuously for decades, it had never received a vote in either chamber prior to 2024. See [Drew Friedman, *Senate passes the Social Security bill to repeal WEP and GPO*, FEDERAL NEWS NETWORK \(Dec. 21, 2024\)](#).

According to the Congressional Budget Office, the Act adds a projected \$195 billion to federal deficits over a decade. [H.R. 82, *SOCIAL SECURITY FAIRNESS ACT OF 2023*, CONGRESSIONAL BUDGET OFFICE \(Sept. 9, 2024\)](#). The Committee for a Responsible Federal Budget, a nonpartisan organization, said that repealing the WEP and GPO would advance Social Security's insolvency by about six months and potentially lead to across-the-board cuts for Social Security beneficiaries. See [Typical Couple Will Lose \\$25,000 of Social Security from WEP/GPO Repeal, COMMITTEE FOR A RESPONSIBLE FEDERAL BUDGET \(Dec. 12, 2024\)](#).

Windfall Elimination Provision

The WEP affects individuals who earn a pension and worked both as public employees in jobs not covered by Social Security and jobs in which the individual earned Social Security benefits. The WEP reduction amount depends on the number of years of earnings and when an individual becomes eligible to retire. See [FAQs About the Windfall Elimination Provision, NATIONAL EDUCATION ASSOCIATION \(last updated Dec. 21, 2024\)](#). There are exceptions to the WEP, including an exception for individuals who have 30 or more years of substantial earnings under Social Security. See [Windfall Elimination Provision, Pub. No. 05-10045, SOCIAL SECURITY ADMINISTRATION \(Mar. 2025\)](#). The WEP reduces a person's benefit amount before it is increased or decreased due to certain factors, such as early retirement, delayed retirement credits, or cost-of-living adjustments. See [Zhe Li, *Social Security: The Windfall Elimination Provision \(WEP\) and the Government Pension Offset \(GPO\)*, CONGRESSIONAL RESEARCH SERVICE \(Feb. 28, 2024\)](#).

Calculating the size of the WEP reduction for any specific person requires an understanding of how the government calculates an individual's monthly Social Security retirement benefit. The SSA determines an individual's monthly Social Security benefit by applying three "bend points" to that individual's Average Indexed Monthly Earnings (AIME). See [Social Security Benefit Amounts, SOCIAL SECURITY ADMINISTRATION \(last visited Jul. 16, 2025\)](#). The SSA multiplies the portion of the AIME at each bend point by a fixed percentage. For example, the bend points for 2025 are 90% of the first \$1,226, 32% of any

amount between \$1,226 and \$7,391, and 15% of any amount above \$7,391.¹ See [Benefits Formula Bend Points, SOCIAL SECURITY ADMINISTRATION \(last visited Jul. 16, 2025\)](#). The sum of these amounts equals the individual's monthly Social Security benefit, which may increase or decrease depending on whether the individual starts receiving benefits before or after the full retirement age (i.e., 67 for individuals born in 1960 or later). See [Windfall Elimination Provision, Pub. No. 05-10045, SOCIAL SECURITY ADMINISTRATION \(Mar. 2025\)](#).

The WEP reduction applies only to the first of those percentages (i.e., the 90%). See [Windfall Elimination Provision, Pub. No. 05-10045, SOCIAL SECURITY ADMINISTRATION \(Mar. 2025\)](#). The most that percentage could fall is from 90% to 40% if the individual had fewer than 20 years of substantial earnings. That 40% increases by 5% for every year past 20 years that the individual has substantial earnings. The following table shows this sliding scale:

Years of Substantial Earnings	Percentage
30 or more	90%
29	85%
28	80%
27	75%
26	70%
25	65%
24	60%
23	55%
22	50%
21	45%
20 or less	40%
Source: Windfall Elimination Provision, Pub. No. 05-10045, SOCIAL SECURITY ADMINISTRATION (Mar. 2025) .	

¹ These groups change annually based on the changes in the national average wage index. [Social Security Benefit Amounts, SOCIAL SECURITY ADMINISTRATION \(last visited Jul. 16, 2025\)](#).

To understand how the WEP alters Social Security benefits, consider the following hypothetical:

You worked for 35 years before retiring. You spent 10 years in a job where you were not subject to Social Security taxes and 25 years in a job where you contributed to Social Security. Assume your AIME for those 35 years was \$2,935 per month.

The SSA applies its bend points to this amount to calculate your monthly retirement benefit at full retirement age. The table below shows the math using the bend points in 2025.

Bend Points	Percentage	Formula	Amount
\$0 - \$1,226	90%	$\$1,226 \times 0.90$	\$1,103.40
\$1,226 - \$7,391	32%	$\$1,709 \times 0.32$	\$546.88
\$7,391 and above	15%	$\$0 \times 0.15$	\$0
Monthly Benefit			\$1,650.28

However, because you are getting a pension from an employer for whom you worked for 10 years without paying Social Security taxes, the WEP reduces the 90% in the first bend point to 65%. This means the portion of your benefit that is based on the first bend point drops from \$1,103.40 to \$796.90, lowering your monthly Social Security benefit from \$1,650.28 to **\$1,346.78**.

Government Pension Offset

The GPO affects individuals who earn a pension from work not covered by Social Security and who also qualify for spousal or survivor Social Security benefits. The GPO “requires a spouse’s or a surviving spouse’s benefit to be offset by the dollar amount of the recipient’s own retirement benefit.” See [Government Pension Offset, Pub. No. 05-100007, SOCIAL SECURITY ADMINISTRATION \(Mar. 2025\)](#). This offsets the spouse or survivor benefit so that it will only be paid if—and to the extent it exceeds—the person’s own retirement benefit, meaning the person receives the higher of the two Social Security benefit amounts, but not both. See [Congress Repeals Social Security Benefit Reductions for Public Employees, ICE MILLER LLP \(Dec. 26, 2024\)](#). Under the GPO, the SSA applies a reduction equal to two-thirds of the amount of the non-covered monthly retirement benefit, but not below zero. See [Alan L. Gustman, Thomas L. Steinmeier, and Nahid Tabatabai, The Social Security Windfall Elimination and Government Pension Offset Provisions for Public Employees in the Health and Retirement Study, 74 SOCIAL SECURITY BULLETIN NO. 3 \(2014\)](#). The SSA provides the following example of how the GPO reduction works:

“If you got a monthly civil service pension of \$3,000, two-thirds of that, or \$2,000, would be deducted from your Social Security benefits. So, if you were eligible for a \$2,100 spouse’s or surviving spouse’s benefit from Social Security, you would get \$100 a month ($\$2,100 - \$2,000 = \100). If two-thirds of your government pension was more than your Social Security benefit, your benefit would be reduced to zero.” [Government Pension Offset, Pub. No. 05-100007, SOCIAL SECURITY ADMINISTRATION \(Mar. 2025\)](#).

Form SSA- 1945

The Act did not address a federal law requiring that state and local government employers provide a statement about the WEP and GPO to employees hired for a position not covered by Social Security. To comply with the law, employers are required to provide employees with Form SSA-1945, which explains the potential impact of the WEP and GPO, and get the employee's signature on the form. A copy of the signed form is to be sent to the pension plan.

However, with the enactment of the Social Security Fairness Act and repeal of the WEP and GPO, the SSA released an updated version of Form SSA-1945 in March 2025. The updated Form SSA-1945 reflects the enactment of the Act and explains that "non-covered earnings will not be used to determine eligibility to or to calculate the amount of potential future benefits." See [Form SSA-1945 \(03-2025\)](#). Employers are still required to get the employee's signature on the form and send a copy to the pension plan.

Retroactive Payment Not Received?

If a Social Security beneficiary is entitled to a retroactive payment of reductions taken since December 2023 due to the WEP or GPO, but has not received a payment, the beneficiary should first verify that the mailing address and direct deposit information that the SSA has on file are accurate and up to date. This information can be verified through the beneficiary's [Social Security account](#) available through the SSA website. The beneficiary can also call the SSA at (800) 772-1213 and may be able to meet with someone from the SSA in person in an SSA field office. More information is available on the [SSA's Social Security Fairness Act webpage](#).

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