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United States House of Representatives
Committee on Ways and Means
Subcommittee on Social Security
Washington, DC 20515

Dear Representative:

On behalf of the three million members of the National Education Association and the students they serve, we would like to offer our views on the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP) in connection with the March 22 hearing, “Social Security and Public Servants: Ensuring Equal Treatment.” NEA strongly supports the Social Security Fairness Act (H.R.973/S.1651), which would fully repeal both the GPO and WEP. We appreciate that the Equal Treatment of Public Servants Act (H.R.711) addresses inequities perpetuated by the WEP, but are concerned that it leaves the GPO intact and could actually broaden its application and enforcement.

Currently, the WEP reduces the Social Security benefits of 1.3 million people who also receive public pensions from work not covered by Social Security—for example, educators and other dedicated public servants who must take part-time or summer jobs to make ends meet. H.R.711 would replace the WEP with a new “public service fairness formula” for people who turn 62 during or after 2017. Under this formula, the Social Security Administration would take into account the years a public sector employee paid into Social Security versus the years that employee paid into a public pension system while working in a position not covered by Social Security. Under H.R. 711, Social Security benefits would be calculated as if all the worker’s earnings were subject to Social Security taxes. This amount would then be multiplied by the percent of earnings covered by Social Security, thus taking into account that Social Security benefits are based on Social Security wages.

We recognize that H.R. 711 attempts to address existing inequities fairly. However, we have concerns regarding the:

- Potential impact on public employees who do not vest in a public pension plan and receive Social Security benefits subject to reduced benefits under the bill
- Fiscal challenges associated with the enforcement of the offset provisions for existing Social Security beneficiaries who are identified as having received overpayments
- Universe of beneficiaries who will no longer be exempt from the offsets because they have 30 years of Social Security-covered earnings

In addition, while we commend efforts seeking to address the harmful benefit reductions associated with the WEP, H.R. 711 fails to address the GPO, which reduces Social Security spousal and survivor benefits and affects a far larger number of people. Nationwide, more than one-third of educators and more than one-fifth of police officers, firefighters, and other public employees are not covered by Social Security and are, therefore, subject to the GPO. An estimated 9 out of 10 public employees affected by the GPO lose their **entire** spousal benefit, even though their deceased spouse paid Social Security taxes for many years. The impact is harshest for those who can least afford the loss: lower-income women. Once the GPO kicks in, some have so little money they must turn to food stamps.

The following excerpt from a letter to NEA is but one example of the devastating impact the GPO and WEP can have:

My husband was diagnosed with glioblastoma, the most aggressive type of brain cancer. After surgery, radiation and chemotherapy, his sight was affected so he could no longer drive or read. Therefore, he could no longer work as a real estate appraiser. We lived on my teacher retirement pension, my small Social Security benefit (\$250 a month before Medicare), and his Social Security check of \$1,600. It was an adjustment having one income totally lost, but with careful management and no unforeseen unexpected expenses we could do it. My husband lost his battle in April. Within two weeks of his death his Social Security benefit no longer was coming. After a phone interview with a Social Security representative, I found out that I would see none of it. Now my income was almost cut in half again. Trying to deal with his death was compounded immeasurably by this huge loss financially. I still wonder how I am going to make it. My husband worked all his life and paid into Social Security. He was in the Marines and the Army and was a Vietnam vet. I worked as a teacher of young children most of my life as well as other jobs to earn my Social Security benefit. The GPO and the WEP are devastating to me. What can I do to help get these repealed?—Heidi from Maine

As noted above, NEA supports full repeal of both the GPO and the WEP. We are, however, open to incremental steps towards full repeal. We are neutral on H.R.711 pending the receipt of additional information on how H.R.711 would affect our members—specifically, who would gain and who would lose if it were to be enacted.

We thank the committee for calling attention to the vitally important issues associated with Social Security offsets—their resolution remains a priority for us and our members. We look forward to working with the committee to address these issues and thank you for the opportunity to offer these comments.

Sincerely,



Mary Kusler
Director, Government Relations