



WAYS AND MEANS

CHAIRMAN KEVIN BRADY

AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 711: EQUAL TREATMENT OF PUBLIC SERVANTS ACT INTRODUCED BY: CHAIRMAN KEVIN BRADY AND REP. RICHARD NEAL

KEY POINTS

- Ensures that public servants who earn both a Social Security benefit and a pension from a Social Security substitute will finally receive treatment equal to other workers.
- Permanently repeals the current Windfall Elimination Provision (WEP) and replaces it with a fair formula that treats public servants like all other American workers.
- Provides relief to current retirees already affected by the WEP.
- Is budget neutral through 2026 and improves Social Security's solvency over the long run.

BACKGROUND

The Equal Treatment of Public Servants Act guarantees public servants will receive Social Security benefits that reflect their actual work history.

- Social Security benefits will no longer be figured by the arbitrary WEP formula established in 1983, but will be based on each worker's Social Security contributions – just like everyone else.
- Under the Public Servant Fairness Formula, a worker's benefit amount will be calculated using total lifetime earnings and then adjusted for the proportion of earnings that came from a job covered by Social Security.
- Public servants who turn age 62 on or after January 1, 2018 will benefit from the new Public Servant Fairness Formula.

Social Security benefits will increase for teachers, fire fighters, police officers and other public servants currently subject to the WEP.

- Retired public servants currently subject to the WEP – and those who turn age 62 before December 31, 2017 – will receive a restoration of benefits payment that offsets a portion of the WEP reduction.
- The Actuary estimates that this payment will offset about 15 percent of the WEP reduction for the first 10 years and then will offset one-half of the WEP reduction starting in 2027.