

GPO-WEP Repeal Bill Signed; Clock Starts toward Retroactive Payments

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President Joe Biden shakes hands with Bette Marino, President of the Connecticut Chapter of the Alliance for Retired Americans, after signing the Social Security Fairness Act in the East Room of the White House on Sunday, January 5, 2025. Image: Pool/ABACA/Shutterstock

By: FEDweek Staff

President Biden has signed into law the long-in-process repeal of the Social Security government pension offset and windfall elimination provision, requiring the SSA to recalculate benefits of those affected by those reductions and starting the clock toward retroactive payments for them dating to January 2024.

“The bill I’m signing today is about a simple proposition: Americans who have worked hard all their lives to earn an honest living should be able to retire with economic security and dignity,” Biden said. “The law that existed denied millions of Americans access to the full Social Security benefits they earned by thousands of dollars a year.”

“This milestone represents the culmination of years of tireless advocacy by NARFE and its members, who time and again made the case for fairness and equality in Social Security benefits,” said the National Active and Retired Federal Employees Association, which was the most prominent among federal employee organizations in pushing for the repeal over four decades.

The WEP reduces a Social Security benefit earned through employment covered that system of someone drawing a benefit from a retirement system that does not include it, such as CSRS. The reduction, up to above \$500 a month currently, is not as severe for those with at least 20 years of Social Security-covered earnings above an annual threshold and is eliminated for those with 30 or more years.

The GPO reduces Social Security spousal or survivor benefits from a spouse’s Social Security-covered employment by \$2 for each \$3 the beneficiary receives in an annuity from a retirement system that does not include Social Security. In many cases, the GPO has eliminated the potential benefit.

The new law requires the recalculation of Social Security benefits to those affected, effective with benefits paid after calendar year 2023. That means retroactive payments have now begun to accrue beginning with January 2024 Social Security payments, and which will accumulate until an individual’s benefit has been recalculated.

At that point, presumably ongoing benefits will be paid at the higher rates and retroactive payment are to be paid, most likely as lump sums. Congressional Budget Office has estimated the average monthly reductions of the GPO and WEP as \$700 and \$360 a month, meaning \$8,400 and \$4,320 so far.

However, the exact next steps and their timing are uncertain; the SSA has released no projections of how long the recalculation process will take. The CBO projected that most affected beneficiaries will receive their increases during the current fiscal year—meaning before October—but that was an estimate done only for forecasting the effect on the Social Security fund and is not binding.

For the meantime, NARFE has recommended that those who did not apply for Social Security spousal or survivor benefits because they would have been eliminated by the GPO should now do so.

One reason for the uncertainty is that the bill did not go through the typical process that results in a detailed report from the House and Senate committees that a bill passes through. House backers used a maneuver called a discharge petition to force a floor vote even though the key committee there had not approved it, and the then-Democratic leadership of the Senate similarly called the bill to a floor vote there without committee approval.