

---

# **The Social Security Fairness Act of 2023**

**Financial Experts Network Webinar  
Presentation**

**February 12, 2025**

**Kurt Czarnowski**

**Czarnowski Consulting: Expert Answers to Your Social Security Questions**

**[www.CzarnowskiConsulting.com](http://www.CzarnowskiConsulting.com)**

# The Social Security Fairness Act of 2023

---

- Signed into law January 5, 2025.
- Repeals both the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO).
- Effective for benefit payments made after December, 2023.

# Some of Those Impacted

- **Teachers:**
  - A retired teacher who worked in a public school system (not covered by Social Security) for most of their career but also had a part-time job covered by Social Security may see a large increase in their Social Security benefits due to the elimination of the WEP reduction.
- **Police Officers:**
  - Similar to teachers, a retired police officer who primarily worked in a state or local government job not covered by Social Security could see a significant increase in their Social Security benefit.
- **Firefighters:**
  - Individuals who worked in a public sector firefighting role that did not contribute to Social Security could also experience a substantial boost in their Social Security benefits under the new law.

# A Caution

**Will every teacher, firefighter, police officer, or public worker receive a benefit increase because of the new law? x**

Not necessarily. We know that some press articles have mentioned teachers, firefighters, police officers, and other public employees when discussing the new law. However, only people who receive a pension based on work not covered by Social Security may see benefit increases. Most state and local public employees – about 72 percent – work in Social Security-covered employment where they pay Social Security taxes and are not affected by WEP or GPO. Those individuals will not receive a benefit increase due to the new law.

**Website:**

**<https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html>**

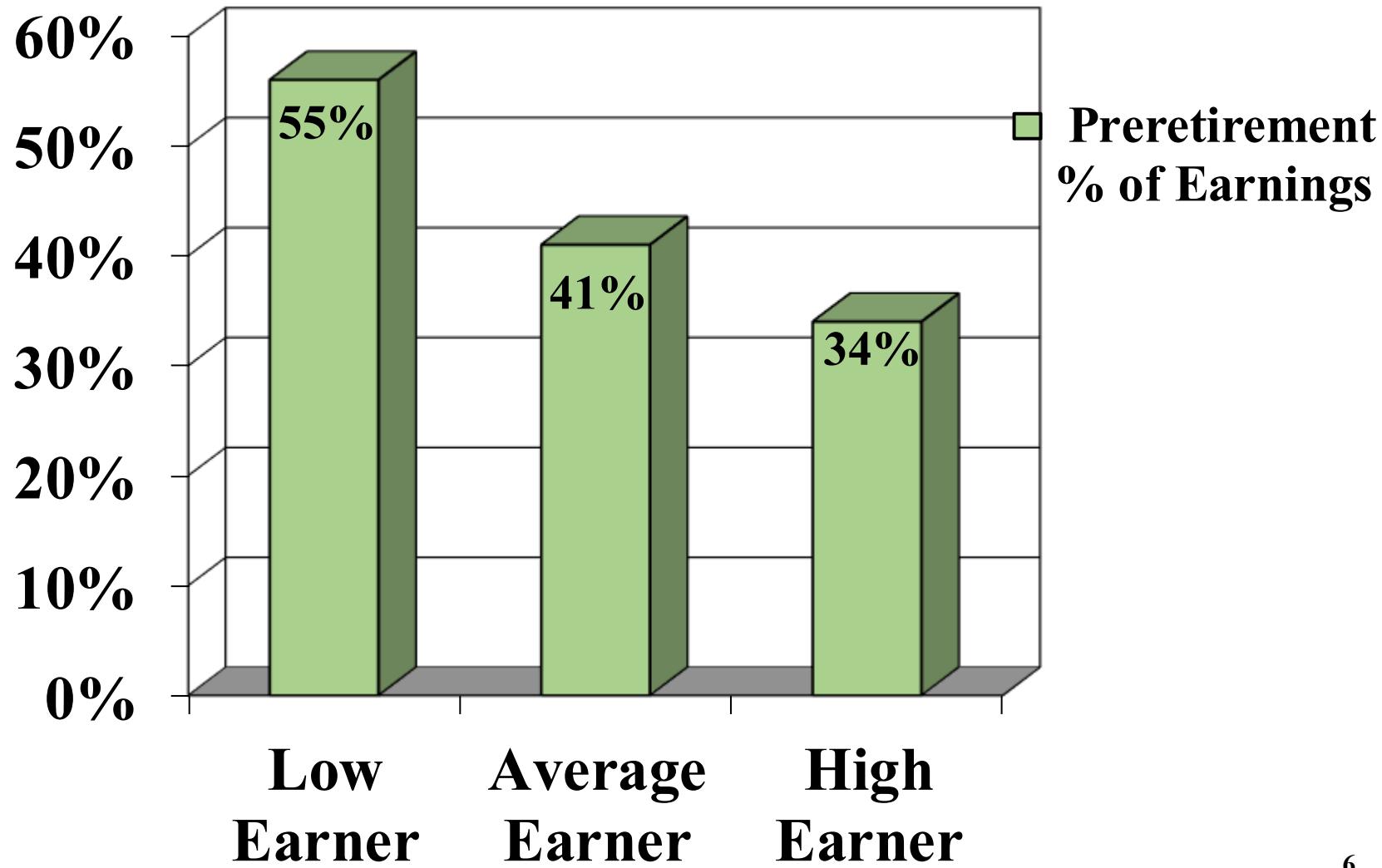
# Windfall Elimination Provision

---

If any part of your pension is based on work not covered by Social Security, you may be affected by the Windfall Elimination Provision.



# What You Can Expect at Full Retirement Age



# 2024 Normal Retirement Benefit Computation Example

If your average monthly earnings are = \$8,000  
Then your monthly benefit would be = \$3,083

<b>Average Monthly Earnings</b>	<b>\$8,000</b>	
<b>90% of First</b>	<b>\$1,174</b>	= <b>\$1,056</b>
<b>32% of Earnings over \$1,174 through \$7,078</b> (\$7,078 - \$1,174 = \$5,904)	<b>\$5,904</b>	= <b>\$1,889</b>
<b>15% of Earnings over \$7,078</b>	<b>\$922</b>	= <b>\$138</b>
	<b>\$7,500</b>	<b>\$3,083</b>

# Exception to the Windfall Elimination Provision

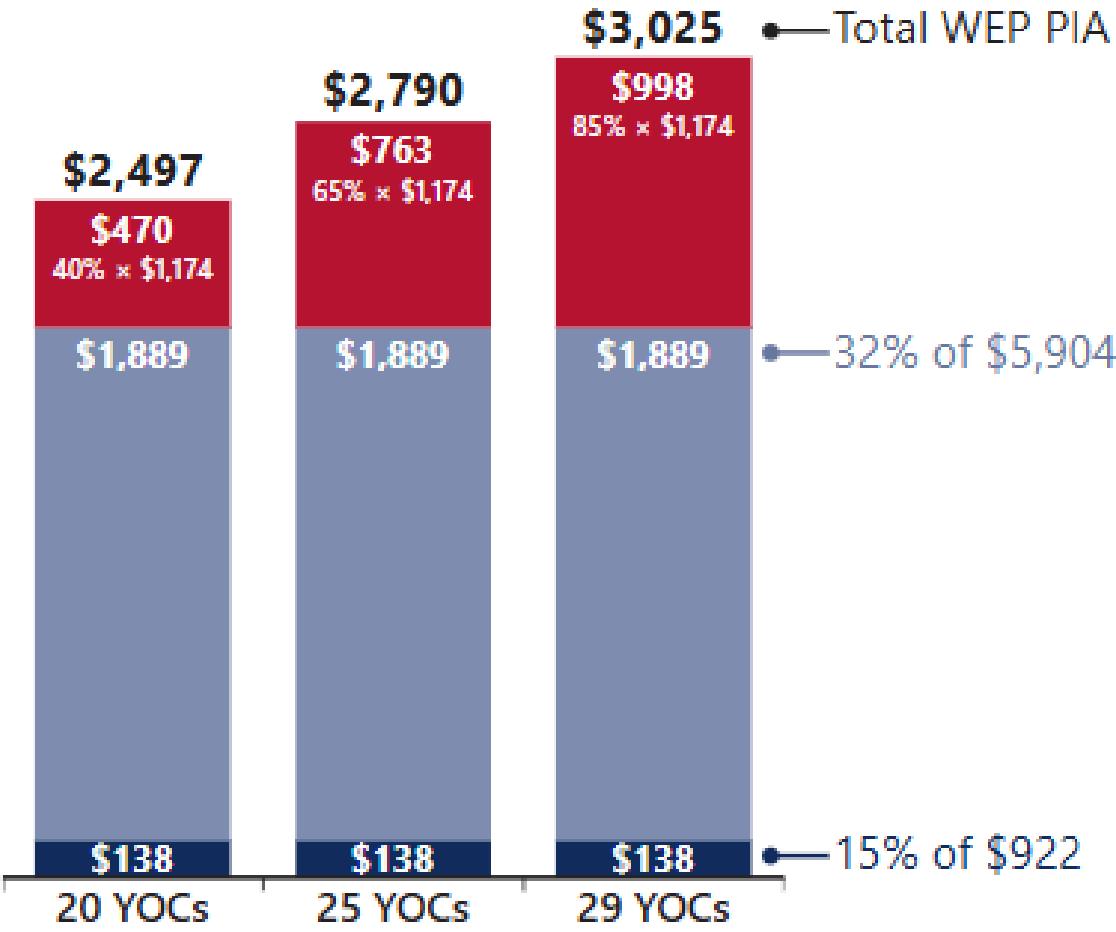
---

Years of Social Security Coverage	% of First Factor in Benefit Formula
<b>30 or more</b>	<b>90</b>
29	85
28	80
27	75
26	70
25	65
24	60
23	55
22	50
21	45
<b>20 or fewer</b>	<b>40</b>

- SSA's Online WEP calculator allows you to estimate your Social Security benefit.

## WEP PIA Examples for Different YOCs

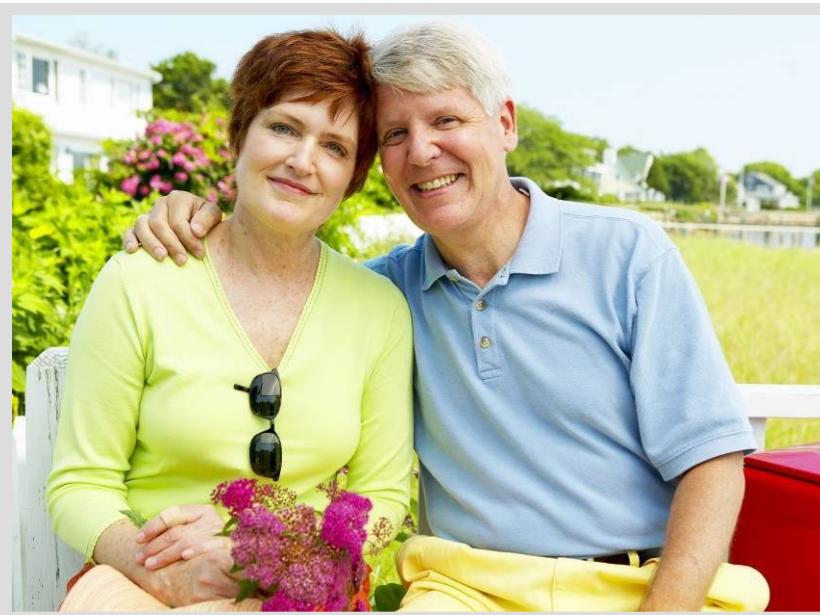
*For a hypothetical worker with an \$8,000 AIME*



# Government Pension Offset (GPO)

---

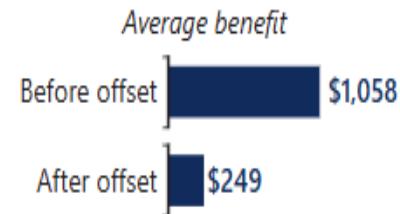
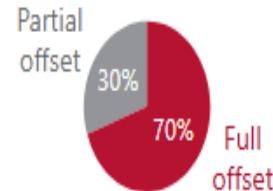
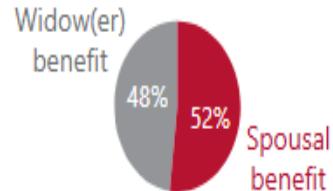
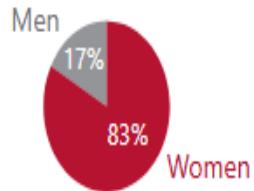
**If you receive a government pension based on work not covered by Social Security, your Social Security spouse's or widow(er)'s benefits may be reduced.**



# CHARACTERISTICS OF GPO BENEFICIARIES

In 2022, the GPO applied to approximately 12.6 percent of the 5.84 million spousal or widow(er) beneficiaries (734,601 beneficiaries).

## Selected Characteristics of GPO Population, 2022<sup>b</sup>



# Government Pension Offset (GPO)

---

## Applies to Spousal and Survivor Benefits Only

**2/3 of amount of government pension will be used to reduce the Social Security benefit**

**Example:**

**\$900 government pension;  $2/3 = \$600$**

**Social Security spouse's benefits = \$500**

**No benefit payable by Social Security**

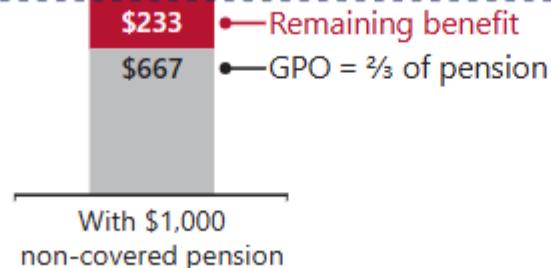


## GPO Examples for Different Non-Covered Pensions

*For a hypothetical spouse of a covered worker with an \$1,800 benefit*

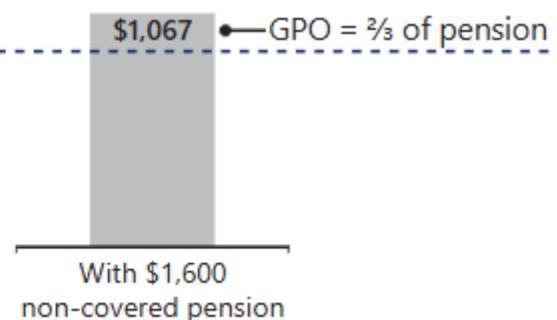
### Partial offset:

GPO is smaller than spousal benefit; remaining benefit is paid



### Full offset:

GPO is larger than spousal benefit; no benefit is paid



# Example 1

**Name:** Jane Doe

**Background:** Retired public school teacher with a state pension and part-time private sector work contributing to Social Security.

**Previous Situation:** Due to the WEP, Jane's Social Security benefits were reduced by approximately \$400 per month.

**Impact Post-Repeal:** With the WEP eliminated, Jane will receive her full Social Security benefit, increasing her monthly income by \$400.

# Example 2

**Name:** Mary Johnson

**Background:** A former federal employee who retired under the Civil Service Retirement System (CSRS), receiving a CSRS pension and qualified for survivor benefits from her late spouse's Social Security.

**Previous Situation:** The Government Pension Offset (GPO) had cut her survivor benefits by two-thirds of her CSRS pension, leading to a substantial reduction in her anticipated income.

**Impact Post-Repeal:** Following the repeal of the GPO, Mary will now obtain her complete survivor benefits, resulting in an increase of \$1,000 to her monthly income.

# Example 3

**Name:** John Smith

**Background:** Retired police officer receiving a government pension and eligible for spousal Social Security benefits through his wife.

- **Previous Situation:** The GPO reduced John's spousal benefits by two-thirds of his pension amount, effectively eliminating his Social Security benefit.
- **Impact Post-Repeal:** With the GPO repealed, John can now receive full spousal benefits, adding an additional \$800 per month to his income.

# Important Points to Remember

- **Impact on spousal benefits:**
- The Fairness Act could also positively impact the Social Security benefits of spouses of individuals who worked in non-Social Security covered jobs, as their spousal benefits might have been reduced under the previous rules.
- **Varying impact based on work history:**
- The exact impact on an individual's Social Security benefit will depend on their specific work history, the length of time they worked in non-Social Security covered jobs, and their earnings in those jobs.
- **Potential for increased financial security:**
- For many people affected by the WEP, the Social Security Fairness Act could mean a significant increase in their retirement income, providing greater financial stability.

# The Social Security Fairness Act of 2023

---

- Current beneficiaries just need to make sure that SSA has correct mailing address and direct deposit information.
- Those not currently collecting should contact SSA to apply or establish a “protective filing date.”
- Monitor agency progress at:  
<https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html>