



WEP and GPO: Repealed!

By Elaine Floyd, CFP®

On January 5, 2025, the Social Security Fairness Act was signed into law.

Dean E. LaPrade
Financial Advisor
Cetera Investors

111 Founders Plaza
Suite 300
East Hartford, CT 06108
(860) 282-4600 ext 307

dean.laprade@ceterainvestors.com

License #: 6122865
Reprint Licensee: Dean E. LaPrade

The bill, which had strong bipartisan support in Congress, eliminates two provisions that reduced Social Security benefits for people who worked in jobs that did not pay into Social Security, including some teachers, firefighters, police officers, and other government workers.

What does this mean?

If you ever worked in a job where Social Security taxes were not taken out of your paycheck, and if you also worked long enough in a Social Security covered job to qualify for a retirement benefit based on that employment, the Windfall Elimination Provision, or WEP, would have reduced your benefit by as much as \$600 per month.

Or let's say you didn't qualify for a Social Security benefit based on your own earnings, but you are married to someone who receives a full Social Security benefit. As a spouse, you would normally be entitled to 50% of your spouse's benefit. But if you are receiving a pension from a job that didn't pay into Social Security, your spousal benefit would be reduced by two-thirds of your pension amount under the Government Pension Offset, or GPO. This could reduce it to zero.

Under the Social Security Fairness Act both of these provisions have been eliminated effective January 2024.

Does this affect you?

The Social Security Fairness Act affects you only if you had a job where Social Security taxes were not taken out. If you have always paid into Social Security—like about 96% of all Americans—the WEP and GPO, and its repeal, do not affect you.

What should you do now?

WEP

If you have been receiving benefits reduced for the WEP, the Social Security Administration will automatically refigure your benefit back to January 2024 and pay retroactive benefits in a lump sum. The amount going forward will exclude the WEP reduction. There is nothing for you to do except wait and watch for communications and payments from SSA.

If you have not yet applied for your benefit, rest assured that there will be no reduction for the WEP even if you worked in a job where Social Security taxes were not taken out. Your benefit will be figured the same as everyone else's.

GPO

If you ever worked in a job in which Social Security taxes were not taken out, and if you expect to receive a pension from that job, you may have been told that you cannot receive a spousal or survivor benefit due to the Government Pension Offset, or GPO, which would have reduced your benefit by two-thirds of your pension amount. In some cases this might have eliminated the benefit entirely, in other cases it would have reduced it significantly. Now, with the passage of the Social Security Fairness Act, spousal and survivor benefits will no longer be reduced for people who worked in jobs that didn't pay into Social Security.

You may be affected by this if you worked in a job that did not deduct Social Security taxes from your paycheck **and**:

- You are married to someone who is entitled to a Social Security retirement or disability benefit, or

- You are divorced from someone who is entitled to a Social Security retirement or disability benefit and a) you were married at least ten years; b) you are currently unmarried; c) your ex is at least 62, or
- Your spouse or ex-spouse has died.

If you qualify for Social Security based on a spouse's work record, you can submit an application at www.ssa.gov or call 800-772-1213.

What you'll need

If you are currently married and filing as a spouse, you will need to show proof of your marriage.

If you are divorced from the person on whose record you are claiming, you'll need to present your divorce certificate showing that the marriage lasted at least ten years. (If you don't have your divorce decree, check with your county recorder's office or obtain a copy through Vitalchek, www.vitalchek.com). You'll also need to provide enough identifying information about your ex to enable SSA to find him or her in their files, such as complete name, birthdate, address, or Social Security number which can be found on a copy of a joint tax return.

If your spouse or ex-spouse is deceased and you are filing for survivor benefits, you'll need to present proof of the marriage or divorce. It is likely that the death has already been reported and SSA is showing your spouse or ex-spouse as deceased, but it would be a good idea to bring the death certificate if you have it.

Whether you are filing as a spouse, an ex-spouse, or a widow, thanks to the Social Security Fairness Act, your benefit will now be figured without regard for your pension.

Is this the best time to file?

If you are a widow between the ages of 60 and 70, or a spouse or divorced spouse between the ages of 62 and 67, you have flexibility in your filing date. Your optimal filing date will depend on several factors. Ask your financial advisor for a Social Security claiming analysis to help you determine the best time to file for benefits.

Elaine Floyd, CFP® is Director of Retirement and Life Planning for Horsemouth, LLC, where she helps people understand the practical and technical aspects of retirement income planning.

Cetera Investors is a marketing name of Cetera Investment Services. Securities and insurance products are offered through Cetera Investment Services LLC (doing insurance business in CA as CFG STC Insurance Agency LLC), member FINRA/SIPC. Advisory services are offered through Cetera Investment Advisers LLC.

Cetera Investment Services LLC representatives Do Not provide legal, tax Or estate planning services. Should you require such services, you should consult a legal, tax Or estate planning professional.

The opinions contained in this material are those of the author, and not a recommendation or solicitation to buy or sell investment products. This information is from sources believed to be reliable, but Cetera Investment Services LLC cannot guarantee or represent that it is accurate or complete. Neither Cetera Investors nor Cetera Investment Services LLC are affiliated With Horsemouth.

Copyright © 2025 by Horsemouth, LLC. All rights reserved.

IMPORTANT NOTICE: This reprint is provided exclusively for use by the licensee, including for client education, and is subject to applicable copyright laws. Unauthorized use, reproduction or distribution of this material is a violation of federal law and punishable by civil and criminal penalty. This material is furnished "as is" without warranty of any kind. Its accuracy and completeness is not guaranteed and all warranties expressed or implied are hereby excluded.