Myths and Facts

Windfall Elimination Provision (WEP) and Government Pension Offset (GPO)

**Myth:**
People subject to the WEP and GPO did not pay into Social Security.

**Fact:**
The WEP is applied only against individuals who contributed to Social Security. The WEP reduces earned Social Security benefits if a person has not worked a full lifetime in Social Security covered employment and the person worked in non-covered employment. WEP was instituted on individuals who had already started working and contributing to Social Security under the rules that did not include WEP. Consequently, the WEP took away a benefit plan that individuals had already been paying into rather than affecting only new employees in Social Security.

The GPO affects the spousal benefit only if an individual worked in other non-Social Security employment. If the spouse did not work at all there is no GPO applied to the spousal benefit.

**Myth:**
The surviving spouse under GPO is treated the same as a surviving spouse who is not subject to the GPO.

**Fact:**
Spouses who did not work at all are not affected by the GPO and spouses who worked in Social Security with very low earnings but have a private pension, are not affected by the GPO. The argument that the GPO simply is consistent with the dual earner provisions of Social Security is partially accurate during the time both spouses are alive but is not correct once the Social Security spouse dies.

**Myth:**
Repealing the GPO would create inequity compared to dual earner provisions.

**Fact:**
The spousal benefit helps people who are divorced from their Social Security higher earner spouse. Because the United States has a high divorce rate, this means many retired educators are penalized by the GPO while their higher earner former spouse is still alive. CalRTA has also always supported the repeal of the GPO to protect the survivor benefit. The survivor benefit was paid for by the Social Security earner as part of the Social Security payroll tax. The survivor benefit was created to ensure that the surviving spouse was not put into poverty. The effect of the GPO, however, is to totally eliminate the survivor benefit even with a modest public pension. When the GPO is applied to the survivor benefit, it does create poverty for the surviving spouse.