Repeal the Windfall Elimination Provision

The California Retired Teachers Association supports the repeal of the Windfall Elimination Provision to protect the benefits of educators who entered teaching as a second career. The WEP reduces benefits that were paid for as part of the Social Security payroll tax. This benefit was created to ensure that a worker was not put into poverty. The WEP can lead to a significant reduction of the Social Security benefits that were earned and paid for.

Teaching is not a highly-paid profession. An imposition of the WEP results in significant losses of earned retirement income. Since it applies only to the first increment of earnings, it is a highly regressive formula which does not take into account the actual income of the recipient. For a retired teacher, the benefit is figured on a modified formula. Instead of 90 percent of the first $816, the benefit is calculated on 40 percent of those earnings – a reduction of 50 percent!

The WEP reduces the ability to recruit private industry workers as second career teachers to bring their skills and knowledge to California’s classrooms. This transfer of knowledge is particularly important in some of the high technology areas for our high schools and community colleges.

Women can be disproportionately impacted by the WEP in California. Approximately 72 percent of teachers in California are women who receive less service overall than men due to their disproportionate role as the primary caretakers of children and seniors in their family.

The harsh fiscal impact of the WEP/GPO is the number one cause of plummeting a retired teacher into low-income and poverty status.

Annual Cost of Social Security = $885 billion

Annual Covered Payroll = $7.137 trillion

Cost of WEP Repeal = $9.278 billion annually

Cost of WEP Repeal = 0.13 of Payroll

Teachers’ Voices
“...I worked from age 16 to age 27 paying into Social Security. I was married for 17 years and my husband worked for 50 years paying into Social Security. I went back to school and obtained my teaching credentials after I divorced. I worked as a teacher for 15 years and am now collecting my teaching retirement amount of $1,400 per month. When I retired, I was denied both my social security payments and those I could have received from my ex-husband’s account, except for having my full credit for Medicare plus $226 per month. "
– Gail O.

“It seems simple to me. I paid into two systems and should be entitled to collect from both systems. I am not asking for something I have not earned, only for the Social Security that I had deducted from my salary. It is not ethical to keep from me what I have earned. I earned Social Security benefits before I became a teacher and am entitled to benefits from my late ex-husband of 21 years. I cannot receive any benefits due to the WEP. "
– Jane Mc.