

THE SOCIAL SECURITY FAIRNESS ACT

If you retired from the City of San Jose after 1984, and you have more than 10 years of earnings history with an employer that participates in Social Security, you have already been, or will be affected by the **Windfall Elimination Provision (WEP)** and/or the **Government Pension Offset (GPO)**.

The WEP and GPO provisions were phased in from 1985 through 1989. Beginning in 1990 any City of San Jose employee who retires with a City pension receives a significantly reduced Social Security benefit because of the WEP; and/or a significantly reduced (or completely eliminated) Social Security spousal benefit because of the GPO when they file for Social Security at age 62 or older.

Most of us who already retired from the City of San Jose (and many more who will retire in the future) did not know about the WEP and/or the GPO. We planned carefully for retirement but if we anticipated a Social Security benefit we based our financial planning on bad numbers. Now we must live out our years on less than we expected and perhaps less than we need.

Do you know how this happened? And what can you do about it?

The History of Social Security Unfairness

In 1975 the City of San Jose withdrew from participation in the federal Social Security program. A City employee who retired after mid-1975 could qualify for both Social Security and for a City pension based on their earnings history. In 1983 Congress enacted the Social Security Amendment Act to correct a perceived inequity in the treatment of people who had worked both in jobs covered by Social Security and in jobs exempted from Social Security. This Act had two provisions that affect City retirees as well as hundreds of thousands of other local, state and federal workers and teachers in 15 states including California.

- The Windfall Elimination Provision_(WEP) reduces the Social Security benefit of a retiree with work experience both in the SS system and with an employer that does not participate in Social

Security, like the City of San Jose. This reduction is as much as 50% of the full Social Security benefit for workers with less than 20 years of “substantial earnings” with a Social Security employer.

- The Government Pension Offset (GPO) reduces and usually completely eliminates any spousal benefit from Social Security for a retiree from a non-Social Security government employer, like the City of San Jose, as the current or former spouse, widow or widower of someone who received a Social Security benefit based on his or her own earnings.

Currently two bills are working their way through the committee process of the House and the Senate. Both are identical, and both are titled the “Social Security Fairness Act” (H.R. 235 and S. 484). President Obama has promised to sign the Social Security Fairness Act when it comes to his desk.

What You Can Do About Social Security Unfairness

Contact your own legislators. Be sure to tell them that you live and vote in their district! Ask them to actively support the repeal of the WEP and the GPO. If they already are a co-sponsor of the Social Security Fairness Act, ask them to talk with their colleagues, including those on the house Ways and Means Committee and the Senate Finance Committee, to encourage them to move this legislation forward before the end of 2009. If you don't know who represents your congressional district and your state, look in your phonebook...they may have a local office that you can call. Or go to this site and enter your location information: <http://usa.gov/Contact/Elected.shtml>

Talk to your friends and relatives. Let them know how Social Security Unfairness affects you and many others who chose civil service as a career including firefighters, police and teachers. Ask them to contact legislators and help spread the word about the Social Security Fairness Act.

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