

GPO-WEP Repeal Bill Ends Long Battle, but Timing of Next Steps Is Uncertain

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Enactment of a bill to repeal the government pension offset and windfall elimination provisions caps efforts over several decades targeting those Social Security provisions that affect those retired—or who will retire—under the CSRS system, but there is uncertainty regarding the timing of the next steps.

“Getting to this point for Social Security fairness has been a very long time coming, and there are affected civil servants and retirees who could not witness this tremendous, life-changing milestone,” said the National Active and Retired Federal Employees Association. NARFE has been the primary voice in advocating for repeal, although federal employee unions and other organizations also lobbied on the issue.

The WEP reduces a Social Security benefit earned through employment covered that system of someone drawing a benefit from a retirement system that does not include it, such as CSRS. The reduction, up to above \$500 a month currently, is not as severe for those with at least 20 years of Social Security-covered earnings above an annual threshold and is eliminated for those with 30 or more years.

The GPO reduces Social Security spousal or survivor benefits from a spouse’s Social Security-covered employment by \$2 for each \$3 the beneficiary receives in an annuity from a retirement system that does not include Social Security. In many cases, GPO eliminates the potential benefit.

The bill says the repeal of both “shall apply with respect to monthly insurance benefits payable under title II of the Social Security Act for months after December 2023” and that the SSA “shall adjust” benefits moving forward to take the repeal into account. The effective date was set when the bill was first introduced early in 2023 on the assumption that it would be enacted before the end of that year, and was not changed even though enactment didn’t come until late 2024.

A NARFE official said that requires retroactive payments for those affected by the reductions starting in January 2024 through when SSA recalculates benefits for them. The SSA would likely not need to implement new regulations to carry out those changes, he said, **but the agency would need to revise its internal processes and policies, leaving the potential of a wait of an undetermined time.**

In assessing the bill, the Congressional Budget Office said it “assumes that higher benefits owed for the months before enactment would be paid retroactively mostly in fiscal year

2025, with some paid in fiscal year 2026. After that, benefits would be paid in the fiscal year in which they are due.”

Typically with the SSA when money is owed to the recipient it's paid as a lump sum, the NARFE official said, adding that NARFE recommends that those eligible for Social Security spousal or survivor benefits who have not applied because the GPO would have totally offset them should now do so.

The CBO estimated that repealing the WEP would increase Social Security benefits for affected it by \$360 a month on average at first, rising to an estimated \$460 a month in 2033. It further estimated that repealing the government pension offset would increase benefits at first by an average of \$700 a month for spouses and by an average of \$1,190 for surviving spouses, rising to \$860 and \$1,520, respectively over 10 years.

About half of current federal retirees are drawing benefits under CSRS, although only several percent of current federal employees are under that system, since the FERS program covers everyone first hired after 1983.

About 2.5 million people are affected by one reduction or the other or both, about 4 percent of all Social Security beneficiaries. However, most of them retired under state and local government retirement systems that also do not include Social Security, leaving the exact number in the federal employee/retiree population uncertain.