

NEW WINDFALL ELIMINATION PROVISION REFORM BILL INTRODUCED

In September, the House Committee on Ways and Means Chairman Richard Neal, D-MA, introduced the Public Servants Protection and Fairness Act, H.R. 4540, a bill to reform the Windfall Elimination Provision (WEP). The bill would alter the current WEP formula, which reduces the Social Security benefits of retirees who receive benefits from having worked in both the private and public sectors, changing the Social Security benefit calculation for future WEP-affected beneficiaries.

The legislation would provide current Social Security beneficiaries affected by WEP and those turning age 62 before 2022 with a \$150 per month increase in their Social Security benefits to offset the WEP penalty. Social Security benefits for future retirees—those turning 62 in 2022 or later—would be subject to a new, fairer formula that calculates benefits based on the proportion of earnings covered by Social Security to total earnings; this formula would increase benefits by an average of \$75 a month. All future retirees retiring in 2022 or later would receive a benefit calculated based on the new formula or the old one, whichever is greater.

The bill is the second WEP reform bill offered in the 116th

Congress, following the Equal Treatment of Public Servants Act, H.R. 3934, which was introduced by House Ways and Means Committee Ranking Member Kevin Brady, R-TX. While the bills are similar, there are some key differences that set them apart. The Equal Treatment of Public Servants Act would provide WEP-affected individuals who are age 60 and older in 2019 with a monthly rebate of \$100. Individuals receiving a WEP-reduced Social Security benefit based on their spouses' employment would receive a \$50 per month rebate—a provision that is not present in the Public Servants Protection and Fairness Act.

The two bills also implement different new formulas that would affect future retirees. The Equal Treatment of Public Servants Act would replace the WEP with a formula that equalizes benefits for certain individuals with noncovered employment. For those between age 21 and 59 in 2019, the penalty would be calculated using either the current formula or the new one created in the bill, whichever is more beneficial. However, individuals under age 20 in 2019 would have their WEP penalty calculated solely with the new formula.

NARFE is urging the leaders of the Ways and Means Committee

to come to a consensus on WEP reform. Reps. Neal and Brady both expressed interest in working across the aisle to address the longstanding provision, with Neal commending Brady “for his work to address the WEP issue for many years. He is a tireless advocate for affected workers, and I appreciate his commitment to fixing this problem. I look forward to working with him to move a solution through Congress expediently.”

The WEP reduces the Social Security benefits of federal, state and local retirees covered by the Civil Service Retirement System (CSRS) who earned Social Security benefits through other employment, such as private-sector jobs. As of December of 2018, the WEP affects 1,863,084 beneficiaries, including 1,747,212 retired workers, 13,345 workers with disabilities, and 102,527 spouses and children. [n](#)

—BY SETH ICKES, GRASSROOTS ASSISTANT

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the Government Accountability Office, which noted that shutdowns only exacerbate efforts to generate interest among potential new hires and hamper current onboarding efforts. Other employees who were eligible to retire but

had yet to were spurred into action, retiring soon after the government reopened. Morale suffered greatly among current employees, many of whom were unable to pay bills and mortgages on time due to missed paychecks.

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