

Social Security Fairness Act's New Chapter

The Social Security Fairness Act, signed into law in December 2024, adjusts two longstanding provisions that previously reduced Social Security benefits for certain recipients: the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). These rules affected Social Security benefits for retirees who receive pension income from non-covered employment.¹

Who Qualifies for Increased Benefits?

This legislation is projected to result in an average monthly increase of \$360 for eligible public sector workers, their spouses, and survivors.² Additionally, it may include lump-sum payments for over 2.5 million individuals to compensate for benefits missed in prior years, which could amount to several thousand dollars per recipient.

Here's a list of some workers who may qualify:

- Police officers
- Firefighters
- Postal workers
- Public school teachers
- Federal employees covered by the Civil Service Retirement System
- Other government employees
- People whose work had been covered by a foreign social security system¹

According to the Social Security Administration (SSA), about 72 percent of state and local public employees work in Social Security-covered employment where they pay Social Security taxes and are unaffected by WEP or GPO. These individuals will not receive a benefit increase under the new law.¹

Implementation and Timeline

The Social Security Administration is currently finalizing its plan to implement these changes. December 2023 was the last month that WEP and GPO applied to benefits, meaning the rules no longer apply to benefits payable for January 2024 and later.¹

Those who have previously filed for Social Security benefits that are partially or completely offset may need to verify that the SSA has their current mailing address and direct deposit information.²

For those who have never applied for retirement, spouse's, or surviving spouse's benefits because of WEP or GPO, an application may be required. The application date might affect when benefits begin and the benefit amount.¹

Financial Impact

The Congressional Budget Office estimates implementation will cost \$196 billion over the next 10 years.² For individual beneficiaries, the projected monthly increases may be:

- Public sector retirees: Potentially \$360 by December 2025, possibly increasing to \$460 by December 2033
- Spouses: Potentially \$700 by December 2025, possibly increasing to \$860 by December 2033
- Surviving spouses: Potentially \$1,190 by December 2025, possibly increasing to \$1,520 by December 2033³

1. Social Security Administration, "Social Security Fairness Act: WEP and GPO Update," February 3, 2025

2. USA Today, January 6, 2025

3. Kiplinger, "Social Security Fairness Act Checklist: Six Things to Know," February 2025

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