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**Wealth
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The Social Security Fairness Act Increases Benefits for Millions

Under the Social Security Fairness Act signed by President Biden on January 5, 2025, almost 3 million Americans will receive a boost to their Social Security benefits.¹ This bill, which had bipartisan support, restores full Social Security benefits to some public-sector employees, including teachers, law enforcement officers, firefighters, and others who have been affected by two provisions of current federal law — the Government Pension Offset (GPO) and the Windfall Elimination Provision (WEP).

Although the increased benefit amount for individuals will vary, the Congressional Budget Office (CBO) has estimated that eliminating the GPO will increase monthly benefits for 380,000 impacted spouses by \$700 on average and by \$1,190 on average for 390,000 impacted surviving spouses. Eliminating the WEP will increase monthly benefits for approximately 2.1 million impacted individuals by \$360 on average.²

Those affected will be entitled to higher benefits starting in January 2025. Individuals who received benefits in 2024 will also be entitled to back payments equal to the difference between what they received in 2024 and what they would have received without a GPO or WEP reduction.

Some background

Both the GPO and the WEP were originally intended to equalize benefits for those who receive Social Security benefits based on a job where they contributed to Social Security through payroll taxes (covered employment) and a pension from a job where Social Security payroll taxes were not withheld (noncovered employment). For decades, advocates for reform have been trying to change or repeal these provisions, arguing that they are unfair and cause financial hardship.


Enacted in 1977, the GPO has affected spouses and surviving spouses who receive pensions from a federal, state, or local government or non-U.S. employer based on noncovered employment and who also qualify for Social Security benefits based on their spouses' work histories in covered employment. The GPO reduces Social Security spousal or widow(er) benefits by two-thirds of the amount of the pension. The reduction was intended to help ensure that the spousal and widow(er) benefits of those with covered or noncovered lifetime earnings would be about equal.

Enacted in 1983, the WEP has affected individuals who receive Social Security retirement or disability benefits based on their own covered employment (if fewer than 30 years) and a pension from noncovered employment. The Social Security benefit formula is progressive, meaning it replaces a greater share of career-average earnings for lower-paid workers than for higher-paid workers. The WEP was passed so that workers receiving pensions from noncovered employment would not receive higher benefits because the Social Security benefit formula did not count their noncovered earnings, making it appear as if they were lower-paid workers. A modified formula was implemented to figure benefits for those affected by the WEP, resulting in lower monthly Social Security benefits; the reduction was limited to half of the amount of the pension.

While advocates of the bill are cheering, opponents of the bill are concerned that repealing the GPO and the WEP will worsen the outlook for the combined Social Security trust funds. According to a CBO cost estimate, the depletion date for the combined Old-Age, Survivors, and Disability Insurance (OASDI) trust funds could be pushed forward about six months, potentially leading to a substantial reduction in Social



Implementing benefit changes may take some time. The Social Security Administration will post updates on its site, ssa.gov.



Security benefits for all beneficiaries even sooner than expected, unless Congress acts to address the impending trust fund shortfall.³

What happens next?

If you're among those affected, be aware that implementing benefit changes may take some time, according to a message from the Social Security Administration:

"At this time, the Social Security Administration is evaluating the law and how to implement it. We will provide more information on our website, ssa.gov as soon as it is available. If you are already entitled, you do not need to take any action at this time except to verify that we have your current mailing address and direct deposit information. If you are receiving a public pension and are now interested in filing for benefits, you may file online at ssa.gov or schedule an appointment."⁴

The SSA notes that you can verify your current mailing address and direct deposit information online without calling or visiting a Social Security office by signing in to a personal *my* Social Security account or creating one on the SSA website.

1–3) Congressional Budget Office, September 2024

4) Social Security Administration, December 2024

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