

# Social Security Offset Reform

The IAFF supports reforming the Windfall Elimination Provision (WEP) to protect and maximize the retirement security for fire fighters and encourages members of Congress to cosponsor HR 4540.

## BACKGROUND

When the Social Security system was created in 1935, government employees were expressly excluded. As a result, states and localities crafted pension systems independent of Social Security. These pension systems included special provisions for fire fighters that reflected their earlier retirement ages and high rates of disability. Even after public employees were permitted to enroll in Social Security, many fire fighters felt that their pension systems were superior and opted to remain outside of the system. Today, an estimated 75 percent of all fire fighters are not covered by Social Security.

Many fire fighters who do not pay Social Security payroll taxes, nevertheless, qualify for a benefit by paying into the program at a second job or through their spouse. These fire fighters may see benefits reduced by one of two offsets: the Government Pension Offset (GPO), which can reduce spousal benefits, and the Windfall Elimination Provision (WEP) – a more immediate concern for fire fighters –

which reduces a worker's Social Security benefit if the worker pays into the system at a second job for less than 30 years. The IAFF believes these offsets are unfair and excessive and remains dedicated to ensuring they are reformed or eliminated.

Central to the IAFF's position on reform is that reform must not result in mandatory Social Security inclusion – a policy shift that would seriously threaten the viability of a worker's hard-earned defined benefit pension plan.

Several bills have been introduced in the current Congress that would either eliminate or reform the WEP. Of these, HR 4540, the Public Servants Protection and Fairness Act, is the only bill that would provide relief from the WEP for all fire fighters without threatening mandatory inclusion. While other proposals have merit, they generally either provide less generous reform than HR 4540 or lack a pay-for, threatening the imposition of mandatory inclusion.

## LEGISLATION

**Senate:** [HR 4540, the Public Servants Protection and Fairness Act](#)  
Sponsor: Representative Richard Neal (D-MA)

**Summary:** The Public Servants Protection and Fairness Act establishes a new, fairer Social Security formula that will pay benefits in proportion to the share of a worker's earnings and provide a monetary rebate to current retirees.