

## Important Information for Public Employees

Article submitted by Paul Millinghausen, Social Security District Manager in Center City Philadelphia. For more information visit [www.socialsecurity.gov](http://www.socialsecurity.gov)

We have important information that should be of interest to public employees.

If you work for an employer who does not withhold Social Security taxes from your salary, such as a government agency, the pension you get based on that work may reduce your Social Security benefits under the “Windfall Elimination Provision.”

This provision affects how the amount of your retirement or disability benefit is calculated if you receive a pension from work where Social Security taxes were not taken out of your pay. We use a modified formula to calculate your benefit amount, resulting in a lower Social Security benefit than you otherwise would receive.

Why a modified formula? The law requires we determine Social Security benefit amounts with a formula that gives proportionately higher benefits to workers with low lifetime earnings. Before 1983, people who worked mainly in a job not covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job where they did not pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

In addition to the Windfall Elimination Provision, there is another reduction that could make a difference in benefits a spouse, widow, or widower can receive.

If you pay into another pension plan and do not pay into Social Security, any spouse, widow, or widower benefits available through Social Security may be subject to a Government Pension Offset. Generally, if government employment was not covered by Social Security, any Social Security benefits must be reduced by two-thirds of the government pension amount.

Why? Benefits we pay to wives, husbands, widows and widowers are “dependent’s” benefits. These benefits were established in the 1930s to compensate spouses who stayed home to raise a family and who were financially dependent on the working spouse. Now it’s more common for both spouses in a married couple to work, each earning his or her own Social Security retirement benefit. The law has always required that a person’s benefit as a spouse, widow, or widower be offset dollar for dollar by the amount of his or her own retirement benefit.

Similarly, if this government employee’s work had instead been subject to Social Security taxes, any Social Security benefit payable as a spouse, widow, or widower would have been reduced by the person’s own Social Security retirement benefit.

Even if you do not receive monthly benefits based on your spouse’s work, you still can get Medicare at age 65 on your spouse’s record if you are not eligible for it on your own record.

To learn more about the Windfall Elimination Provision, please read this fact sheet:  
[www.socialsecurity.gov/pubs/10045.html](http://www.socialsecurity.gov/pubs/10045.html)

To learn more about the Government Pension Offset, please read this one:  
[www.socialsecurity.gov/pubs/10007.html](http://www.socialsecurity.gov/pubs/10007.html)

Posted on [www.CaregiverClassDirectory.com](http://www.CaregiverClassDirectory.com), July-August 2011

File Name: ARTICLE\_ssa\_info\_for\_public\_employees.doc