

Your Social Security Benefits after Repeal of the WEP/GPO

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On January 6th, the Social Security Fairness Act was signed into law. It repeals two targeted programs that limited benefits for a small subset of Americans, all of whom spent part of their working life as public employees, whether for a federal, state, or local government entity that did not pay into Social Security. If that doesn't describe you, your benefits will stay exactly as they are! Otherwise, read on for information on what's next.

Who is affected?

Most folks whose benefits are affected by the WEP or GPO already know about it. In 2022, only 3.1% of Social Security beneficiaries were affected by the WEP, and only 12.6% of all spousal or widower beneficiaries were affected by the GPO.

The WEP and GPO began as follows:

When Social Security started, state and local government employees could not participate because their employers had pension plans that provided benefits at least as good, if not better. In the 1950s, states could opt into Social Security and pass along some pension responsibility. Based on which states opted in and when they did, it left many workers with some years where they paid into Social Security and thus got credit, while others did not. Because Social Security benefits aim to pay a slightly higher rate of income to lower-earning beneficiaries, and these employees "looked" like lower earners, the WEP (affecting your benefits as a retiree) and GPO (affecting your spousal and widow benefits) helped ensure they didn't take a disproportionate piece of the pie.

However, in practice, many retirees did not understand these complex provisions and were unprepared for their impact when they retired. Many were caught off guard by a drastic decrease in their perceived benefits when they planned their retirement income based on their government pension *and* a particular Social Security benefit.

If this sounds like you, but you are unsure whether you are affected, you can phone Social Security for clarification on your situation. Note that your benefits will only be increased, not pared down, due to this new law.

What does the repeal mean?

The repeal is backdated **to January 2024** (Happy New Year!). This means that not only will future monthly payments increase for affected workers, including those receiving spousal or widower benefits, but a lump sum will also be due for the 2024 benefits that were lowered.

The Social Security Administration has not yet set a timeline for implementing these new calculations. It will likely take a while for future monthly benefits to change and for the lump sum to be paid. Our cautious estimation is that we will see updated monthly benefits rolling out in the latter half of 2025.

Do I need to do anything now?

The SSA has created a page for the Social Security Fairness Act [on its website](#). They have asked that you verify that your mailing address and direct deposit information are correct. If you're currently receiving monthly benefits in your bank, and you receive your SSA-1099 tax form at home, which will be mailed sometime in January, you're all set! If not, or if you haven't yet filed for benefits, the SSA would like you to log onto your [mySocialSecurity account](#) and start there or make an appointment at a Social Security office in your area.

Remember that only the official Social Security website at [ssa.gov](#) is valid. Scammers will try to use this repeal to "represent you to increase your benefits" or "make sure you are eligible." Please don't fall for it! Communicate only with the Social Security Administration, and if you are ever in doubt, contact your financial advisor, tax preparer, or a trusted source to ensure a website, letter, or phone call is legitimate.

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