

Social Security: Lift the Cap on Payroll Deductions, End GPO and WEP Penalties

To put Social Security on a firm financial footing, lift the cap on payroll deductions. Congress also needs to eliminate the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP) that deprive 2.5 million people of benefits they have earned—educators, police officers, firefighters, and other employees of state and local governments.

- ▶ NEA supports the **Social Security Fairness Act (S. 521/H.R. 141)**, introduced by Sen. Brown (D-OH) and Rep. Rodney Davis (R-IL), which would fully repeal both the GPO and WEP.
 - The GPO reduces the Social Security spousal or survivor benefits of people not covered by Social Security themselves.
 - The WEP reduces the Social Security retirement, disability, spousal, or survivor benefits of people who work in jobs covered by Social Security and jobs NOT covered by Social Security over the course of their careers—for example, educators who take part-time or summer jobs to make ends meet.
 - The bill has bipartisan support in both chambers: 203 cosponsors in the House and 34 in the Senate.
 - Member advocacy—more than 20,000 emails to Congress in the past year alone—played a key role in building this support.

- ▶ NEA supports the **Public Servants Protection and Fairness Act (H.R. 4540)**, introduced by House Ways and Means Committee Chairman Richard Neal (D-MA), which starts to fix problems caused by the WEP but does address the GPO.
 - Nearly 2 million retired educators and other public employees subject to the WEP would get some financial relief.
 - Current retirees would get an extra \$150 a month and future retirees an extra \$75 a month on average; no one would get less.
 - NEA continues to advocate for full repeal of both the WEP and the GPO.

- ▶ NEA supports the **Social Security 2100 Act (S. 269/H.R. 860)**, introduced by Sen. Blumenthal (D-CT) and Rep. Larson (D-CT), which would increase benefits across the board, calculate annual cost-of-living adjustments for seniors more accurately, and increase the minimum benefit to ensure that low-earning workers do not retire into poverty.
 - To ensure Social Security remains on a firm financial footing, the payroll tax rate would gradually rise from 12.4 to 14.8 percent and, for the first time, apply to annual earnings over \$400,000.
 - Earnings between the current cap of \$132,900 and \$400,000 would not be subject to the Social Security payroll tax.
 - The bill has 209 cosponsors in the House and 1 in the Senate.