

Government Pension Offset FAQs

These Frequently Asked Questions (FAQs) provide general guidance about the Government Pension Offset (GPO). They do not cover the Windfall Elimination Provision (WEP). [Separate FAQs for WEP are available](#). If you have questions specific to your own situation, contact your local Social Security Administration Office. The FAQs assume you are or were a state or local government employee who works or worked in employment not covered by Social Security. They do not address GPO issues particular to federal employees. If you are divorced, certain special rules apply that your local Social Security Administration office can explain to you.

KEY TERMS IN THESE FAQs

A **government pension** is a retirement benefit from non-Social Security-covered employment for a state or local government.

Non-SS-covered employment is work you perform for a state or local government that is not covered by Social Security.

SSA means the Social Security Administration.

SS-covered employment is work you perform that is covered by Social Security.

SLG means state or local government.

WHAT IS THE GOVERNMENT PENSION OFFSET (GPO)?

The GPO reduces your Social Security survivor or dependent benefit.

WHAT IS THE SOCIAL SECURITY DEPENDENT BENEFIT?

A dependent benefit is paid to the spouse and minor children of a retired or disabled worker.

WHAT IS THE SOCIAL SECURITY SURVIVOR BENEFIT?

A survivor benefit is paid to the spouse and minor children of a Social Security-eligible worker who has died.

WHY DID CONGRESS ENACT THE SURVIVOR BENEFIT AND THE DEPENDENT BENEFIT?

Congress enacted the survivor benefit as part of the Social Security Act. It recognized that a worker's family requires financial support if the worker dies. Even if the surviving spouse has always worked, the loss of the deceased worker's income reduces the family's total income. Congress realized a few years later that the retirement or disability of a worker also affects household income. While a Social Security benefit may be adequate for the retiree or disabiltant to live on, the amount is insufficient, especially when the retired or disabled worker

was the family's principal breadwinner. In 1939, therefore, Congress provided a dependent benefit, payable to the spouse and minor children of a retired or disabled worker.

IS AN INDIVIDUAL ELIGIBLE FOR BOTH A SURVIVOR/DEPENDENT BENEFIT AND A SOCIAL SECURITY BENEFIT FROM HIS/HER OWN WORK?

No. The Social Security Act does not permit an individual to receive a Social Security benefit from his/her own work and also a survivor/dependent benefit. This "dual entitlement rule" allows an individual to receive only the higher of the two benefits.

HOW DO I KNOW WHETHER THE GPO AFFECTS ME?

There are three general criteria:

1. **First**, you work or worked for a SLG in non-SS-covered employment.
2. **Second**, you are entitled to a government pension from that employment. SSA deems you to be "entitled to a pension" when you file an application for the pension and a benefit is payable.
3. **Third**, you are entitled to a Social Security survivor/dependent benefit.

WHAT IS THE DEFINITION OF 'GOVERNMENT PENSION'?

It is any periodic or lump sum benefit that is based upon your own non-SS-covered employment for a SLG. The government pension is payable because you qualify for either **1)** a retirement benefit based on age and length of service; or **2)** a permanent disability, that is, a condition which is expected to continue throughout your lifetime and preclude your return to work. A government pension does not include such payment as:

- A Social Security retirement or disability benefit;
- A payment from an optional savings plan, e.g., a 403(b) or 457 plan, which is separate from the retirement plan and yields only the amount the employee paid in (plus interest) rather than an amount calculated based upon certain conditions such as age, earnings and length of service;
- An early incentive retirement payment, e.g., a bonus paid as an incentive for you to retire early; or
- A survivor annuity from your spouse's government pension.

DOES THE GPO REDUCE ANY SOCIAL SECURITY BENEFIT TO WHICH I AM ENTITLED FROM MY OWN WORK?

No. The GPO affects your dependent/survivor benefit only. The Windfall Elimination Provision reduces the Social Security benefit you earned yourself from SS-covered employment.

DOES THE GPO AFFECT A SOCIAL SECURITY DISABILITY BENEFIT?

If you are entitled to a dependent/survivor benefit based on your spouse's disability, the GPO applies.

WHY IS THE GPO SO SEVERE?

Under the GPO, the SSA reduces your dependent/survivor benefit by two-thirds of your government pension. In other words, the GPO lowers the dependent/survivor benefit by \$2 for every \$3 you receive from your government pension.

Example: Terry works in non-SS-covered employment for a SLG. She will receive a government pension from the job of \$600 per month. Her husband works in SS-covered employment. She is entitled to a dependent benefit from his work of \$500 per month before the SSA applies the GPO. To calculate the GPO, SSA does the following:

- multiplies \$600 by two-thirds ($600 \times \frac{2}{3} = \400); and
- subtracts the \$400 from the \$500 dependent benefit ($500 - 400 = \$100$).

Result: Terry receives a dependent/survivor benefit of \$100 per month. This is called a "partial GPO offset."

IS IT POSSIBLE THAT MY DEPENDENT/SURVIVOR BENEFIT MAY BE REDUCED TO ZERO?

Yes. It is called a "total GPO offset."

IF I AM INELIGIBLE FOR A DEPENDENT/SURVIVOR BENEFIT BECAUSE OF THE GPO, AM I STILL ELIGIBLE FOR MEDICARE?

Yes. You are still eligible for Medicare at age 65 based on your spouse's SS-covered employment if you are not eligible for it from your own employment.

DO ANY EXCEPTIONS TO THE GPO EXIST?

Yes. Here are several of the most likely to apply to SLG workers with non-SS-covered employment.

First, the GPO does not apply if, for the five years before you retire,

1. You are in a position that was covered under Social Security, and
2. the position is also covered by the same government pension plan as your non-SS-covered position.

Second, you are exempt if you are receiving a government pension from SLG employment that is not based on your own earnings. For example, if you receive a survivor's annuity from your deceased spouse who worked in non-SS-covered employment for a SLG, it is not subject to the GPO.

Third, if you were eligible for a dependent/survivor benefit before December 1, 1977, you are exempt.

Fourth, if you began receiving or were eligible to receive a government pension from non-SS-covered employment in a SLG before December 1, 1982, and you met the requirements for a dependent/survivor benefit in effect in January 1977, you are exempt.

I HEARD THAT IF SOMEONE HAS A GOVERNMENT PENSION FROM NON-SS-COVERED MILITARY RESERVE SERVICE, HE/SHE IS NOT SUBJECT TO THE GPO. IS THAT TRUE?

Yes. Congress exempted that type of service from the GPO.

WHAT HAPPENS IF I RETIRE FROM MY NON-SS-COVERED EMPLOYMENT, DRAW THE GOVERNMENT PENSION FROM IT, AND THEN BEGIN TO WORK IN SS-COVERED EMPLOYMENT?

The SSA will still reduce your survivor/dependent benefit by the applicable amount.

WHAT HAPPENS IF I RECEIVE A GOVERNMENT PENSION FROM MY NON-SS-COVERED EMPLOYMENT AS A LUMP SUM?

The SSA will determine how much the government pension would be if it were paid monthly and then reduce the monthly survivor/dependent benefit accordingly.

CAN BOTH THE GPO AND THE WINDFALL ELIMINATION PROVISION (WEP) REDUCE MY SOCIAL SECURITY BENEFIT?

Yes. The Social Security retirement that you earn as well as your dependent/survivor benefit may be reduced if

1. You have some SS-covered work and some non-SS-covered work, and
2. You are or were married.

Example: During Tony's career, she works both in the private sector in which she was covered by Social Security and for a school district in a non-SS position. Tony's husband spends his entire career in SS-covered employment. Tony reaches the age at which she can draw a Social Security benefit. She goes to the local SSA office to apply for her benefits. Because of the WEP, Tony's own Social Security benefit is reduced unless she had 30 or more years of Social Security coverage. Because of the GPO, Tony's dependent benefit from her husband is either reduced or eliminated. If Tony had not worked in the non-SS-position for the school district, the reductions would not have applied.

WHY DID CONGRESS ENACT THE GPO?

In 1977, Congress revisited the Social Security Act and looked at many issues, including the dual entitlement rule. The rule forbids an individual from receiving both a Social Security benefit from his/her own work and a Social Security dependent/survivor benefit. Congress decided that someone with both a government pension and a survivor/dependent benefit violates the dual entitlement rule. It reached that conclusion by equating the government pension with a Social Security retirement benefit. Congress could have just as easily determined that the government pension is analogous to a pension from a private sector employment or SS-covered work for a SLG, in which case, no dual entitlement would arise. It choose not to do so, however.

WHY IS THE GPO AN UNFAIR POLICY?

When it enacted the GPO, Congress forgot that the original purpose of the dependent/survivor benefit was to help a husband or wife who depends financially on his/her breadwinner spouse. The benefit provides additional income to help the financially dependent husband or wife once the breadwinner retires or is disabled (in which case the dependent benefit applies) or once the breadwinner dies (in which case the survivor benefit applies).

The GPO turns the policy underlying the dependent/survivor benefit on its head. By reducing the dependent/survivor benefit, the GPO harms the financially dependent spouse. Those most likely affected by the GPO are women who spend most of their lives raising their families and who work outside the home for only a short period of time. The GPO has a harsh effect and undermines the original purpose of the Social Security dependent/survivor benefit.

WHAT IS BEING DONE TO ADDRESS THE UNFAIR IMPACT OF THE GPO?

The bipartisan **Social Security Fairness Act** (S. 597/H.R. 82), introduced by Sens. Sherrod Brown (D-OH) and Susan Collins (R-ME) and Rep. Garrett Graves (R-LA-6) and Rep. Abigail Spanberger (D-VA-7), would fully repeal both the GPO and WEP.