

Social Security Fairness Act Signed into Law

The Social Security Fairness Act was signed into law in January 2025. Here's how this new legislation allows certain types of workers- such as firefighters and police- and spouses or surviving spouses to receive both their pension and Social Security retirement benefits.

On January 5, 2025, then- President Biden signed the [Social Security Fairness Act \(H.R. 82\)](#) into law. The Act repeals the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO), eliminating reductions in Social Security retirement benefits for certain workers, their dependents, and survivors. Benefits are payable with respect to months after December 2023, so many eligible individuals will receive both a lump-sum check for 2024 payments as well as higher benefit payments going forward.

What were WEP and GPO?

WEP applied to workers who receive “non-covered pensions”—typically local and state government employees—where the employer did not deduct Federal Insurance Contributions Act (FICA) payroll taxes. As a result of this provision, workers eligible for both a government/non-covered pension and Social Security retirement benefits could find his or her benefits reduced by up to \$558 in 2024¹.

GPO applied to dependents or surviving spouses who were eligible for government pensions *and* Social Security retirement benefits. Whereas the WEP could reduce benefit amounts, the GPO was even more restrictive. Essentially, if two-thirds of the government pension the dependent or surviving spouse received was equal to or more than his or her Social Security retirement benefit, the benefit payment amount could be as low as \$0!

What does the repeal mean for a client currently eligible for both a government/non-covered pension and Social Security retirement benefits?

For a client claiming benefits as a worker, the repeal of WEP can mean an increase in Social Security benefit amounts, as any reduction from WEP is eliminated. Plus, many eligible individuals may receive lump sums to cover the Social Security retirement benefits that would have been paid in 2024 if not for the WEP reduction.

For a spouse or surviving spouse, the change may be significant. An individual eligible for Social Security spousal or survivor benefits, but whose benefit was reduced by the GPO, may now be able to receive both their pension and Social Security benefit payments. For example, a retired firefighter has a \$2,000 monthly government pension. The firefighter also was eligible as a dependent for \$1,200 per month in Social Security benefits. As \$1,200 is less than two-thirds of the \$2,000 pension, the firefighter did not receive any dependent benefit from the Social Security Administration. Under the Social Security Fairness Act, the firefighter will now receive both the \$2,000 government pension and the \$1,200 Social Security dependent benefit each month.

If the firefighter did not claim Social Security retirement benefits when eligible or did claim with a reduced benefit, he or she may be eligible for a lump-sum retroactive payment. For an individual who claims now, the retroactive payment may be up to six months of benefits. For an individual who had claimed at a reduced benefit, up to 12 months of retroactive payment may be available.

¹Li, Zhe. “Social Security: The Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO).” Congressional Research Service (CRS), Feb. 28, 2024.

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What steps should a client take to receive any increase in a Social Security benefit?

In the case of WEP, the action plan is straightforward. The Social Security Administration knows the retirement benefit was reduced and can adjust accordingly. For clients who were affected by GPO, the next steps will depend on certain factors. Some spouses and surviving spouses currently receive some Social Security benefits. In some cases, the Social Security Administration may be able to adjust the benefit. For clients who may be affected, an appointment with Social Security may assure that the proper steps are taken.

As noted previously, individuals, spouses, and surviving spouses who never have claimed a Social Security retirement benefit will likely need to file with the Social Security Administration. For example, consider an individual with a government pension that is two-thirds or more of his or her Social Security retirement benefit. That individual may not have filed for Social Security retirement benefits, as he or she would not have received any benefit. This individual may file for a benefit through [SSA.gov](https://www.ssa.gov) or by appointment.

Note that the Social Security Administration is working hard to address these changes. It may take some time before payments are adjusted or lump sums distributed. For more information, check [SSA.gov](https://www.ssa.gov). Be aware that this is new legislation, and the Social Security program will continuously adapt to these changes during the early months of 2025.

Should this change clients' Social Security claiming strategies?

For some clients, yes. The increase in Social Security retirement benefits available could cause some individuals to make different decisions. It will be important to walk each client through his or her options carefully.

ACTIONS YOU CAN TAKE RIGHT NOW

- **Reach out to clients with non-covered pensions to determine whether or not they are affected.**
- **Review how eligibility for an increase in benefits might affect their income plans.**
- **Determine whether or not the changes require adjustment in guaranteed retirement income and if a deferred annuity may help.**

Additional Resources and Links

[Social Security Fairness Act](#)

[Social Security Fairness Act: Windfall Elimination Provision \(WEP\) and Government Pension Offset \(GPO\)](#)

[Social Security: A Tax-Advantaged Lifetime Payment with a COLA](#)

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