

The National Council of Social Security Management Associations, Inc.

**THE WASHINGTON REPORT
LEGISLATIVE REPORT 08-2002**

August 1, 2002

- **Government Pension Offset (GPO) and Windfall Elimination Provision (WEP)**

There are several pieces of legislation in both the Senate and the House that would affect the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP). Several NCSSMA members have asked us to provide more detailed information regarding the measures that exist.

With the myriad of issues facing Congress this session, most of these proposals have been placed on the “back burner” so to speak. We will keep you posted if it seems as if there will be any activity on any of the bills detailed below. With the House already in recess for the month of August and the Senate scheduled to depart tomorrow, the earliest you could expect any action on these measures would be September – although it is safe to say that the focus will then be on homeland security, appropriations, prescription drug benefits, and the upcoming elections.

- **S. 611 – “Government Pension Offset Reform Act”**

The legislation (S. 611) sponsored by Sen. Barbara Mikulski (D-MD) would amend title II of the Social Security Act to modify the formula for determining the amount of reduced monthly OASDI benefits payable to a spouse, surviving spouse, or parent receiving monthly payments from a Federal or State pension plan. The measure declares that such benefit reductions “shall be equal to the amount by which two-thirds of the total amount of the combined monthly benefit (before reduction) and monthly pension exceeds \$1,200, adjusted for inflation”. The legislation has been referred to the Senate Finance Committee and currently has 35 cosponsors.

- **S. 1523 – “Social Security Fairness Act of 2001”**

The legislation (S. 1523) sponsored by Senator Dianne Feinstein (D-CA) would amend title II of the Social Security Act to repeal the government pension offset and the windfall elimination provision. Specifically, the legislation repeals pension offset provisions applicable to husband’s and wife’s insurance benefits, widow’s and widower’s insurance benefits, and mother’s and father’s insurance benefits with respect to Old-Age and Survivors insurance benefit payments. The legislation also repeals windfall elimination provisions with respect to computation of the primary insurance amount of an individual. The measure currently has 11 cosponsors and has been referred to the Senate Finance Committee.

- **S. 2521**

The legislation (S.2521) introduced on May 15, 2002, by Senator John F. Kerry (D-MA) would amend title II of the Social Security Act to restrict the application of the windfall elimination provision to “individuals whose combined monthly income from the individual’s primary insurance amount under such title and the portion of the monthly periodic payment attributable to noncovered service performed after 1956 exceeds \$2,000”. The legislation would also provide for a graduated implementation of the windfall elimination provision by specified percentages with respect to incremental amounts above such threshold, up to 100 percent for combined amounts over \$3,000. The legislation has been referred to the Senate Committee on Finance and currently has one cosponsor. The Congressional Research Service has identified H.R. 1073 introduced by Rep. Barney Frank (D-MA) in the House of Representatives as an identical measure.

- **H.R. 664**

The legislation (H.R. 664) introduced by Rep. William Jefferson (D-LA) would amend the Social Security Act to provide that "reductions in Social Security benefits are equal to the amount by which the total combined monthly benefit and monthly pension exceed \$1,200." The bill amends title II of the Social Security Act to modify the formula for determining the amount of reduced monthly OASDI benefits payable to a spouse, surviving spouse, or parent receiving monthly payments from a Federal or State pension plan. The legislation declares that such benefit reductions shall be equal to the lesser of: (1) the amount by which the total amount of the combined monthly benefit (before reduction) and monthly pension exceeds \$1,200, adjusted for inflation; or (2) an amount equal to two-thirds of the amount of any such monthly pension plan payment. The measure has been referred to the House Committee on Ways and Means and to the Subcommittee on Social Security and currently has 295 cosponsors.

- **H.R. 848 – “Social Security Benefits Restoration Act of 2001”**

The legislation (H.R. 848) introduced by Rep. Max Sandlin (D-TX) would amend title II of the Social Security Act to eliminate the provision reducing primary insurance amounts for individuals receiving pensions for non-covered employment. The legislation has been referred to the House Committee on Ways and Means and the Subcommittee on Social Security and currently has 145 cosponsors.

- **H.R. 1073**

The legislation (H.R. 1073) introduced by Rep. Barney Frank (D-MA) would amend title II of the Social Security Act to restrict the application of the windfall elimination provision to those whose combined monthly income from benefits is less than \$2000, and provides for gradual implementation of the windfall elimination provision on amounts between \$2000 and \$3000 per

month. Those receiving more than \$3000 per month would still be fully affected by the windfall elimination provision. The legislation currently has 230 cosponsors and has been referred to the House Committee on Ways and Means and the Subcommittee on Social Security. The Congressional Research Service has identified S. 2521 introduced by Sen. John F. Kerry (D-MA) in the Senate as an identical measure.

- **H.R. 2638 – “Social Security Fairness Act of 2001”**

The legislation (H.R. 2638) sponsored by Rep. Howard McKeon (R-CA) would repeal the government pension offset and windfall elimination provisions. The measure would amend title II of the Social Security Act to repeal pension offset provisions applicable to husband’s and wife’s insurance benefits, widow’s and widower’s insurance benefits, and mother’s and father’s insurance benefits with respect to Old-Age and Survivors insurance benefit payments. The measure would also repeal windfall elimination provisions with respect to computation of the primary insurance benefit of an individual. The bill has been referred to the House Committee on Ways and Means and the House Subcommittee on Social Security and currently has 169 cosponsors.

- **H.R. 3497 – “Social Security Guarantee Plus Act of 2001”**

The legislation (H.R. 3497) introduced by Rep. E. Clay Shaw (R-FL) would amend both the Social Security Act and the Internal Revenue Code of 1986 to “preserve and strengthen the Social Security Program through the creation of personal Social Security guarantee accounts ensuring full benefits for all workers and their families, restoring long-term Social Security solvency, to make certain benefit improvements, and for other purposes.”

Included in the legislation is a reduction in the Government Pension Offset from a 2/3 offset to a 1/3 offset. The legislation currently has 5 cosponsors and has been referred to the House Committee on Ways and Means.

The Washington Report
418 C Street, NE
Washington, DC 20002
202-547-8530/FAX 202-547-8532
Contact: Sara Garland or Rachel Emmons
e-mail: sarag@greystone-group.com or rachele@greystone-group.com