HEATHER SCHREIBER'S

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# SOCIAL SECURITY ADVISOR

Social Security Planning for Retirement


## WHAT'S INSIDE?



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# The Government Pension Offset ...The Who, What, and Why

I was introduced recently to a client of a member of Ed Slott's Elite IRA Advisor Group℠, whom I'll call Betty. Betty has been battling the SSA over an overpayment notice she received in 2019 but, here's the kicker, for benefits she began collecting in 2013!

Betty's story gets even better. According to the SSA's original letter, the overpayments continued from 2013 through 2019 due to survivor benefits for which she was not entitled. According to the SSA, that disqualification was the result of a rule called the Government Pension Offset (GPO).

Besides learning about Betty's case, I also heard from Nathan McNulty, a *Social Security Advisor* subscriber who has contributed to our "Advisor Mailbag" in a prior issue, for which I am always grateful. Nathan pointed out that I hadn't covered the GPO in quite some time, and a recent case has prompted him to ask for a refresher on the topic. Just like that, Betty's case and Nathan's request became the perfect blend of GPO from an educational perspective and GPO in action through the lens of Betty's experience. Once again, I gave thanks to our readers and planners who bring relevant information to me on an ongoing basis. And certainly, the GPO is a topic of concern to many seniors and their advisors.

Before we continue with Betty, let's review the alter ego of the GPO, which is the Windfall Elimination Provision (WEP). For a more detailed review of the WEP, refer to the February 2021 and October 2021 issues of *Social Security Advisor.*

### WEP and GPO: What's the Difference?

In some ways, the WEP and the GPO are similar. These provisions may affect the Social Security benefits of those individuals who receive a retirement or disability pension that's based upon work that was not covered by Social Security payroll tax. This may be a federal, state, or local pension, often referred to as a non-covered pension.

For example, the earnings of civil servants hired prior to 1983, covered under the Civil Service Retirement System (CSRS), are not subject to Social Security taxes, and therefore Social Security benefits may be subject to WEP and GPO. But employees covered under the Federal Employee Retirement System (FERS), which replaced CSRS in 1987 and covers all new federal employees, do pay into Social Security so WEP and GPO would not apply to Social Security benefits. Some Teachers' Retirement Systems (TRS) pensions in some states, including Ohio and