



# Windfall Elimination Provision

## Your Social Security retirement or disability benefits can be reduced

The Windfall Elimination Provision can affect how we calculate your retirement or disability benefit. If you work for an employer who doesn't withhold Social Security taxes from your salary, such as a government agency or an employer in another country, any retirement or disability pension you get from that work can reduce your Social Security benefits.

## When your benefits can be affected

This provision can affect you when you earn a retirement or disability pension from an employer who didn't withhold Social Security taxes **and** you qualify for Social Security retirement or disability benefits from work in other jobs for which you did pay taxes.

The Windfall Elimination Provision can apply if:

- You reached 62 after 1985.
- You became disabled after 1985.
- You first became eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985. This rule applies even if you're still working.

This provision also affects Social Security benefits for people who performed federal service under the Civil Service Retirement System (CSRS) after 1956. We won't reduce your Social Security benefit amounts if you only performed federal service under a system such as the Federal Employees' Retirement System (FERS). Social Security taxes are withheld for workers under FERS.

## How it works

Social Security benefits are intended to replace only some of a worker's pre-retirement earnings.

We base your Social Security benefit on your average monthly earnings adjusted for average wage growth. We separate your average earnings into three amounts and multiply the amounts using three factors to compute your full Primary Insurance Amount (PIA). For example, for a worker who turns 62 in 2020, the first \$960 of average monthly earnings is multiplied by 90 percent; earnings between \$960 and \$5,785 are multiplied by 32 percent; and the balance by 15 percent. The sum of the three amounts equals the PIA, which is then decreased or increased depending

on whether the worker starts benefits before or after full retirement age (FRA). This formula produces the monthly payment amount.

When we apply this formula, the percentage of career average earnings paid to lower-paid workers is greater than higher-paid workers. For example, workers age 62 in 2020, with average earnings of \$3,000 per month could receive a benefit at FRA of \$1,516 (approximately 50 percent) of their pre-retirement earnings increased by applicable cost of living adjustments (COLAs). For a worker with average earnings of \$8,000 per month, the benefit starting at FRA could be \$2,740 (approximately 34 percent) plus COLAs. However, if either of these workers start benefits earlier than their FRA, we'll reduce their monthly benefit.

## Why we use a different formula

Before 1983, people whose primary job wasn't covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job for which they didn't pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

Under the provision, we reduce the 90 percent factor in our formula and phase it in for workers who reached age 62 or became disabled between 1986 and 1989. For people who reach 62 or became disabled in 1990 or later, we reduce the 90 percent factor to as little as 40 percent.

## Some exceptions

The Windfall Elimination Provision doesn't apply if:

- You're a federal worker first hired after December 31, 1983.
- You're an employee of a non-profit organization who was first hired after December 31, 1983.
- Your only pension is for railroad employment.
- The only work you performed for which you didn't pay Social Security taxes was before 1957.
- You have 30 or more years of substantial earnings under Social Security.

The Windfall Elimination Provision doesn't apply to survivors benefits. We may reduce spouses, widows, or widowers benefits because of another law. For more information, read *Government Pension Offset* (Publication No. 05-10007).

## Social Security years of substantial earnings

If you have 30 or more years of substantial earnings, we don't reduce the standard 90 percent factor in our formula. See the first table that lists substantial earnings for each year.

The second table shows the percentage used to reduce the 90 percent factor depending on the number of years of substantial earnings. If you have 21 to 29 years of substantial earnings, we reduce the 90 percent factor to between 45 and 85 percent. To see the maximum amount we could reduce your benefit, visit [www.socialsecurity.gov/planners/retire/wep-chart.html](http://www.socialsecurity.gov/planners/retire/wep-chart.html).

## A guarantee

The law protects you if you get a low pension. We won't reduce your Social Security benefit by more than half of your pension for earnings after 1956 on which you didn't pay Social Security taxes.

## Contacting Social Security

The most convenient way to contact us from anywhere, on any device, is to visit [www.socialsecurity.gov](http://www.socialsecurity.gov). There are several things you can do online: apply for benefits; get useful information; find publications; and get answers to frequently asked questions.

When you open a *my* Social Security account, you have more capabilities. You can review your *Social Security Statement*, verify your earnings, and print a benefit verification letter. You can also change your direct deposit information, request a replacement Medicare card, request a replacement Social Security card (if you have no changes and your state participates), and get a replacement SSA-1099/1042S.

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

A member of our staff can answer your call from 7 a.m. to 7 p.m., Monday through Friday, if you need to speak to a person. We ask for your patience during busy periods since you may experience a high rate of busy signals and longer hold times to speak to us. We look forward to serving you.

|           |         |           |          |           |          |
|-----------|---------|-----------|----------|-----------|----------|
| 1937–1954 | \$900   | 1989      | \$8,925  | 2013      | \$21,075 |
| 1955–1958 | \$1,050 | 1990      | \$9,525  | 2014      | \$21,750 |
| 1959–1965 | \$1,200 | 1991      | \$9,900  | 2015–2016 | \$22,050 |
| 1966–1967 | \$1,650 | 1992      | \$10,350 | 2017      | \$23,625 |
| 1968–1971 | \$1,950 | 1993      | \$10,725 | 2018      | \$23,850 |
| 1972      | \$2,250 | 1994      | \$11,250 | 2019      | \$24,675 |
| 1973      | \$2,700 | 1995      | \$11,325 | 2020      | \$25,575 |
| 1974      | \$3,300 | 1996      | \$11,625 |           |          |
| 1975      | \$3,525 | 1997      | \$12,150 |           |          |
| 1976      | \$3,825 | 1998      | \$12,675 |           |          |
| 1977      | \$4,125 | 1999      | \$13,425 |           |          |
| 1978      | \$4,425 | 2000      | \$14,175 |           |          |
| 1979      | \$4,725 | 2001      | \$14,925 |           |          |
| 1980      | \$5,100 | 2002      | \$15,750 |           |          |
| 1981      | \$5,550 | 2003      | \$16,125 |           |          |
| 1982      | \$6,075 | 2004      | \$16,275 |           |          |
| 1983      | \$6,675 | 2005      | \$16,725 |           |          |
| 1984      | \$7,050 | 2006      | \$17,475 |           |          |
| 1985      | \$7,425 | 2007      | \$18,150 |           |          |
| 1986      | \$7,875 | 2008      | \$18,975 |           |          |
| 1987      | \$8,175 | 2009–2011 | \$19,800 |           |          |
| 1988      | \$8,400 | 2012      | \$20,475 |           |          |

