**Government Pension Offset**

**BACKGROUND:** The Government Pension Offset (GPO) adjusts Social Security spousal or widow(er) benefits for people who receive “non-covered pensions.” A non-covered pension is a pension paid by an employer that does not withhold Social Security taxes from your salary, typically, state and local governments or non-U.S. employers. Congress created the GPO in 1977 to help ensure that spousal and widow(er) benefits of those with covered or non-covered lifetime earnings would be roughly equal. Under Social Security’s dual-entitlement rule, spouses with their own covered earnings have their spousal benefits offset dollar-for-dollar by their own earned benefit. The GPO has a similar intention; the offset originally was dollar-for-dollar for non-covered pensions, but Congress reduced it to two-thirds in 1983.

**HOW THE GPO WORKS:** The GPO reduces the spousal or widow(er) benefit by two-thirds of the monthly non-covered pension and can partially, or fully, offset an individual’s spousal/widow(er) benefit, depending on the amount of the non-covered pension. The chart below shows how the GPO would affect spousal benefits for two non-covered pension amounts.

### GPO Examples for Different Non-Covered Pensions

For a hypothetical spouse of a covered worker with an $1,800 benefit

<table>
<thead>
<tr>
<th>Spousal benefit before GPO</th>
<th>With $1,000 non-covered pension</th>
<th>With $1,600 non-covered pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>$900</td>
<td>$233</td>
<td>$1,067</td>
</tr>
<tr>
<td>$600</td>
<td>$667</td>
<td></td>
</tr>
</tbody>
</table>

**Partial offset:**

GPO is smaller than spousal benefit; remaining benefit is paid

**Full offset:**

GPO is larger than spousal benefit; no benefit is paid

**CHARACTERISTICS OF GPO BENEFICIARIES:** In 2020, the GPO applied to approximately 11.5 percent of the 6.25 million spousal or widow(er) beneficiaries (716,662 beneficiaries). Beneficiaries affected by the GPO had an average monthly non-covered pension of $2,531, which was nearly $1,000 more than the average Social Security retired worker benefit of $1,544 in 2020. Nearly three-quarters of beneficiaries affected by the GPO had their entire spousal or widow(er) benefit offset and had an average monthly non-covered pension of $3,193. Those with partially offset benefits had an average non-covered pension of $930.

### Selected Characteristics of GPO Population, 2020

- **Men:** 83% spousal benefit, 17% widow(er) benefit
- **Women:** 47% spousal benefit, 53% widow(er) benefit
- **Partial offset:** 29% spousal benefit, 71% widow(er) benefit
- **Average benefit before offset:** $915
- **Average benefit after offset:** $186

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b. GPO beneficiary tabulations are based on unpublished data from the Social Security Administration, Office of Research, Evaluation, and Statistics.