Windfall Elimination Provision

The Social Security Fairness Act (SSFA) of 2023, signed into law on January 5, 2025, ended the Windfall Elimination Provision (WEP) for benefits payable for months after December 2023. December 2023 is the last month that the WEP will apply. This means this rule no longer applies to benefits payable for January 2024 and later.

Note: *The following information outlines WEP prior to the enactment of the SSFA.*

A law that affects your retirement or disability benefit*

The WEP can still affect how Social Security calculates your retirement or disability benefit. If you work for an employer who didn't withhold Social Security taxes from your salary, any retirement or disability pension you get from that work could reduce your Social Security benefits. Such an employer may be a government agency or an employer in another country.

**Public Law 98-21, Social Security Amendments of 1983, enacted 20 April 1983.*

When your benefits can be affected

The following provisions can affect you if both are true:

- You earned a retirement or disability pension from an employer who didn't withhold Social Security taxes
- You were eligible for Social Security retirement or disability benefits from work in other jobs for which you did pay taxes

The WEP can apply if one of the following is true:

- You reached age 62 after 1985
- You developed a qualifying disability after 1985

If the latter applies, you must first have become 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 work under the Civil Service Retirement System (CSRS) after 1956. We won't reduce your Social Security benefit amount if you only performed federal work 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 3 amounts and multiply the amounts using 3 factors to compute your full Primary Insurance Amount (PIA). For example, for a worker who turns 62 in 2025: the first $1,226 of average monthly earnings is multiplied by 90%; earnings between $1,226 and $7,391 are multiplied by 32%; and the balance is multiplied by 15%. The sum of the 3 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, consider workers age 62 in 2025, with average earnings of $3,000 per month. They could receive a benefit at FRA of $1,671 (approximately 55%) 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 $3,167.50 (approximately 39%) plus COLAs. However, if either of these workers starts 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 that represented a higher percentage of their earnings. They also had a pension from a job for which they didn't pay Social Security taxes. Congress passed the WEP, effective in 1983, to remove that advantage.

Under the provision, we reduce the 90% factor in our formula and phased it in for workers who reached age 62 or developed a disability between 1986 and 1989. For people who reach 62 or developed a disability in 1990 or later, we reduce the 90% factor to as little as 40%.

Some exceptions

The WEP doesn't apply if:

- You're a federal worker first hired after December 31, 1983.
- You're an employee of a non-profit organization which was exempt from Social Security coverage on December 31,1983. This does not apply if the non-profit organization waived exemption and did pay Social Security taxes, but then the waiver was terminated prior to 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 WEP doesn't apply to survivors' benefits. We may reduce spouses or surviving spouses 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% 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% factor depending on the number of years of substantial earnings. If you have 21 to 29 years of substantial earnings, we reduce the 90% factor to between 45% and 85%. To see the maximum amount we could reduce your benefit, visit ***www.ssa.gov/prepare/government-and-foreign-pensions***. The maximum reduction in 2025 is $613 a month.

A guarantee

If you receive a relatively low pension, and that pension is fully or partially based on earnings after 1956 where you did not pay Social Security taxes, there's a law that might help you. In most cases, we won't reduce your Social Security full retirement age benefit by more than half of your pension amount.

Note: *Legislation (Section 419c of Public Law 108-20, the Social Security Act of 2004) requires state and local government employers to provide a statement to employees hired after January 1,2005 or later a Job Not Covered by Social Security. This form is the SSA-1945 form.*

Medicare

If the retirement or disability benefit that you receive is not enough to cover the entire Medicare Part B premium, we will use your benefits to offset the cost of the premium. After all credits are applied, we will bill you for the remaining balance once a year.

Contacting Us

The most convenient way to do business with us is to visit ***www.ssa.gov*** to get information and use our online services.

Year	Substantial earnings
1937–1954	$900
1955–1958	$1,050
1959–1965	$1,200
1966–1967	$1,650
1968–1971	$1,950
1972	$2,250
1973	$2,700
1974	$3,300
1975	$3,525
1976	$3,825
1977	$4,125
1978	$4,425
1979	$4,725
1980	$5,100
1981	$5,550
1982	$6,075
1983	$6,675
1984	$7,050
1985	$7,425
1986	$7,875
1987	$8,175
1988	$8,400
1989	$8,925

Year	Substantial earnings
1990	$9,525
1991	$9,900
1992	$10,350
1993	$10,725
1994	$11,250
1995	$11,325
1996	$11,625
1997	$12,150
1998	$12,675
1999	$13,425
2000	$14,175
2001	$14,925
2002	$15,750
2003	$16,125
2004	$16,275
2005	$16,725
2006	$17,475
2007	$18,150
2008	$18,975
2009–2011	$19,800
2012	$20,475
2013	$21,075
2014	$21,750

Year	Substantial earnings
2015–2016	$22,050
2017	$23,625
2018	$23,850
2019	$24,675
2020	$25,575
2021	$26,550
2022	$27,300
2023	$29,700

Years of substantial earnings	Percentage
30 or more	90 %
29	85 %
28	80 %
27	75 %
26	70 %
25	65 %
24	60 %
23	55 %
22	50 %
21	45 %
20 or less	40 %

Securing today
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