

Senate Joint Resolution 1

Social Security Offsets

Senator Dave Cortese

SUMMARY

SJR 1 urges Congress to repeal the Government Pension Offset and the Windfall Elimination Provision from the Social Security Act.

BACKGROUND

Many of California's teachers are unfairly penalized by Social Security offsets that reduce or eliminate the earned Social Security benefits of the teacher's benefits or their spousal benefits. The California Legislature has consistently requested that Congress repeal these offsets to protect our current and future teachers.

Social Security was originally established in 1935. Initially, state and local governments, and their employees were prohibited from participating. Over the years, federal laws were passed allowing these employees the opportunity to elect to join the program, including a number of California jurisdictions, except for peace officers, firefighters, correctional officers, teachers, and others.

Nationwide, more than one-third of teachers are not covered under Social Security. Most are subject to the Windfall Elimination Provision (WEP) or Government Pension Offset (GPO).

The WEP reduces benefits that were paid for as part of the Social Security payroll tax. This benefit was created to ensure that a worker was not put into poverty. The WEP can lead to a significant reduction of the Social Security benefits that were earned and paid for.

The survivor benefit was paid for by the Social Security earner as part of the Social Security payroll tax. The survivor benefit was created to ensure the surviving spouse was not left without adequate financial support. The GPO eliminates the survivor benefit even with a modest public pension. When the GPO is applied to the survivor benefit, it can often force the surviving spouse into poverty.

The WEP reduces the ability to recruit private industry workers as second career teachers to bring their skills and knowledge to California's classrooms. This transfer of knowledge is particularly important in some of the high technology areas particularly in high schools and community colleges.

Women are disproportionately impacted by the WEP and GPO in California. Approximately 72% of teachers in California are women who receive less service overall than their male colleagues.

SUPPORT

California Retired Teachers Association (sponsor)

STATUS

Introduced: December 5, 2022

CONTACT

Tara Sreekrishnan
Office of Senator Dave Cortese
(408) 480 7833
Tara.Sreekrishnan@sen.ca.gov