



# Windfall Elimination Provision

The Social Security Fairness Act of 2023 (SSFA) ends the Windfall Elimination Provision (WEP). The SSFA, signed into law on January 5, 2025, ended the WEP for benefits payable for months after December 2023. This means December 2023 is the last month that the WEP applies. It does not apply to benefits payable for January 2024 and later.

**Note:** The SSFA did not affect Section 419c of Public Law 108-203, the Social Security Protection Act of 2004, which requires state and local government employers to provide the form SSA-1945, titled "Statement Concerning Your Employment in a Job Not Covered by Social Security," to employees hired January 1, 2005 or later.

The information below explains the WEP prior to 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 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 three amounts and multiply the amounts using three factors to compute your full Primary Insurance Amount (PIA). For example, for a worker who turned 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 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, 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 started benefits earlier than their FRA, we would 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.

Year	Substantial earnings	Year	Substantial earnings	Year	Substantial earnings
1937–1954	\$900	1990	\$9,525	2015–2016	\$22,050
1955–1958	\$1,050	1991	\$9,900	2017	\$23,625
1959–1965	\$1,200	1992	\$10,350	2018	\$23,850
1966–1967	\$1,650	1993	\$10,725	2019	\$24,675
1968–1971	\$1,950	1994	\$11,250	2020	\$25,575
1972	\$2,250	1995	\$11,325	2021	\$26,550
1973	\$2,700	1996	\$11,625	2022	\$27,300
1974	\$3,300	1997	\$12,150	2023	\$29,700
1975	\$3,525	1998	\$12,675		
1976	\$3,825	1999	\$13,425		
1977	\$4,125	2000	\$14,175		
1978	\$4,425	2001	\$14,925		
1979	\$4,725	2002	\$15,750		
1980	\$5,100	2003	\$16,125		
1981	\$5,550	2004	\$16,275		
1982	\$6,075	2005	\$16,725		
1983	\$6,675	2006	\$17,475		
1984	\$7,050	2007	\$18,150		
1985	\$7,425	2008	\$18,975		
1986	\$7,875	2009–2011	\$19,800		
1987	\$8,175	2012	\$20,475		
1988	\$8,400	2013	\$21,075		
1989	\$8,925	2014	\$21,750		

  

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 %



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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](http://www.ssa.gov/prepare/government-and-foreign-pensions).

## 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.

## 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](http://www.ssa.gov) to get information and use our online services.

Social Security Administration

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