

## Navigating the Social Security Fairness Act: What You Need to Know

How the new law could impact your benefits, eligibility, and retirement planning



On January 5, 2025, the Social Security Fairness Act was signed into law, marking the most significant change in years. By repealing two rules that cut benefits for those with pensions from jobs without Social Security payroll tax withholding, over 3.2 million people will now receive bigger checks—and some may even qualify for benefits for the first time.

The two eliminated rules were the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). The WEP reduced Social Security benefits for many people who received a government pension, and the GPO reduced benefits for many spouses and surviving spouses of an employee who received a government pension.

### What We'll Cover

- Who's Eligible?
- How Much Will You Get (and What About Taxes)?
- What to Do if You Qualify



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## First, Who's Eligible?

The new law impacts individuals who worked in state or local government positions where they didn't contribute to Social Security, but also held jobs where they did pay into Social Security.

The Social Security Administration has outlined the following groups who may be eligible:

- Teachers
- Firefighters
- Police officers
- Federal employees covered by the Civil Service Retirement System
- People whose work was covered by a foreign social security system

Those who are eligible should receive larger Social Security checks because their benefits will now be calculated in the same manner as those of typical retired workers.

Imagine Sue, a high school teacher who worked in the public school system for 30 years and also held a part-time summer job where she paid into Social Security.

- Before the SSA Fairness Act: When Sue retired, her Social Security benefits would be reduced by the Windfall Elimination Provision because she received a public pension.
- After the SSA Fairness Act: When Sue retires, she'll receive her full Social Security benefits along with her teacher's pension.

While people will be glad to get extra Social Security benefits thanks to the new law, it's important to note there could be some tax impacts to consider. Let's dive into that next.

## Second, How Much Will You Get (and What About Taxes)?

The Social Security Administration says benefit increases can range from a small amount to more than \$1,000 a month (the exact amount depends on factors such as the type of Social Security benefit received and the amount of the person's pension).<sup>1</sup> These increases will appear in future monthly checks and will also cover benefits retroactive to January 2024.<sup>1</sup>

Here are some potential tax implications of the increase:

- You might move into a higher tax bracket, resulting in higher income taxes
- If your increased income exceeds certain thresholds, you could end up paying higher Medicare premiums under the Income-Related Monthly Adjustment Amount. This fee is added to your Medicare Part B and Part D premiums if your yearly income surpasses the annual limits.

One way to reduce potential tax impacts is through charitable giving strategies. Financial professionals and accountants can guide you on the best ways to donate, such as timing your contributions or donating appreciated assets, to maximize your tax benefits. This process can be complex and easy to get wrong, so it's best to work with a professional to ensure everything is done correctly.

## Third, What to Do if You Qualify

Depending on whether you're already retired or still working, here's what you need to do to make the most of the Social Security Fairness Act benefits.

- If you're retired:
  - If you've already applied for Social Security benefits, you don't need to do anything extra to receive the additional benefits. Social Security will handle it for you. However, they suggest logging into your Social Security account to confirm your email address, physical address, work history, and direct deposit details.
  - If you haven't applied for individual, spousal, or survivor's Social Security retirement benefits because of WEP or GPO, you might need to file an application to receive the additional benefits. You can start the application process at [ssa.gov/apply](https://ssa.gov/apply). For personalized assistance, call 1-800-772-1213 Monday through Friday, from 9:00 a.m. to 6:00 p.m. ET.

When the system asks, "How can I help you today?" say "Fairness Act," and you'll be connected to a WEP-GPO trained representative who can provide detailed information based on your specific situation.



- If you're still working:
  - If you think this law affects you, keep an eye on updates from the Social Security Administration. Also, log into your Social Security account to ensure your earnings records are accurate. Talk to your financial professional to understand how these changes could affect your overall retirement strategy.

### **“When Will I See Increases in My Social Security?”**

Starting the week of February 24, 2025, the Social Security Administration began paying retroactive benefits and increasing monthly payments for those affected by the WEP and GPO.

If you were due retroactive benefits because of the Act, you should receive a one-time payment deposited into your bank account by the end of March. This payment covers the

increase in your benefits back to January 2024, when the WEP and GPO no longer applied.

Since Social Security benefits are paid a month behind, most people will start seeing their new monthly amount in April 2025 (for their March 2025 benefit).

Anyone whose monthly benefit is adjusted or who gets a retroactive payment will receive a notice in the mail from the Social Security Administration explaining the changes.

The Social Security Administration is asking everyone to wait until April before inquiring about their retroactive payment status, as these payments will be processed gradually throughout March.

They also suggest waiting until after you receive your April payment before contacting them about your new monthly benefit amount.

## Next Steps:

1. **Get Support:** To understand how the new act might affect your benefits, call 1-800-772-1213 Monday through Friday, from 9:00 a.m. to 6:00 p.m. ET. When prompted, say "Fairness Act." You'll be connected to a representative trained in WEP-GPO to assist you.
2. **Consult Your Financial Professional:** Contact your financial professional and accountant to discuss how the additional benefits from the Act could impact your retirement planning and taxes. They can help you navigate these changes and optimize your strategy.

<sup>1</sup> Social Security Fairness Act: Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) update, ssa.gov, 2025

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