

APWU CONGRESSIONAL TESTIMONY

**American
Postal
Workers
Union,
AFL-CIO**

WILLIAM BURRUS
PRESIDENT

**United States House of Representatives
Committee on Ways and Means
Subcommittee on Social Security**

**Statement of the
American Postal Workers Union, AFL-CIO**

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Mr. Chairman and members of the Subcommittee, thank you for this opportunity to submit testimony in support of the repeal of the unfair penalties imposed on postal and federal employees by the Government Pension Offset (GPO) and the Windfall Elimination Provisions (WEP) of Social Security law.

In recent years, legislation known as the “Social Security Fairness Act” has been introduced in both chambers. This legislation is designed to eliminate the Social Security-benefit penalties suffered by postal and federal retirees who currently receive or are eligible to receive civil service pensions. The penalties imposed by the Government Pension Offset and Windfall Elimination Provisions affect not only these retirees, but also their surviving spouses.

The GPO penalty occurs when a Civil Service Retirement System (CSRS) annuitant outlives a spouse who was receiving Social Security benefits and is designated to receive death benefits. Because the surviving spouse receives a CSRS pension, the death benefit is reduced by an amount equal to two-thirds of the surviving spouse’s annuity. In most cases this results in the total elimination of the death benefit, even though the spouse who died may have paid into the Social Security program for many years.

The WEP penalty occurs when a CSRS postal or federal annuitant has also earned Social Security benefits as the result of private-sector employment. In these cases, the annuitants have their Social Security benefits calculated under a different formula than the one used for private-sector employees who do not receive a Civil Service pension.

The result is that even though the private-sector retiree and the Civil Service annuitant may both have accrued 25 years of Social Security-covered employment and deductions, the modified formula significantly reduces the Social Security benefits of the CSRS retiree.

The American Postal Workers Union supports H.R. 82, proposed by Representatives Berman and McKeon, and we believe it is an appropriate correction to the longstanding inequities suffered by CSRS retirees and their surviving spouses.

We look forward to working with you on these very important issues. If the American Postal Workers Union can be of assistance as you consider these important matters, please feel free to contact us. We would be pleased to address any questions you might have.

Thank you for your consideration.