Congressional Research Service
Informing the legislative debate since 1914

Social Security: The Windfall Elimination Provision (WEP)

Updated July 2, 2018

Congressional Research Service
https://crsreports.congress.gov
98-35

CRS REPORT
Prepared for Members and
Committees of Congress

Summary

The windfall elimination provision (WEP) is a modified benefit formula that reduces the Social Security benefits of certain retired or disabled workers who are also entitled to pension benefits based on earnings from jobs that were not covered by Social Security and thus not subject to the Social Security payroll tax. Its purpose is to remove an unintended advantage or "windfall" that these workers would otherwise receive as a result of the interaction between the regular Social Security benefit formula and the workers' relatively short careers in Social Security-covered employment. In December 2017, more than 1.8 million people (or about 3% of all Social Security beneficiaries) were affected by the WEP.

Contents

Introduction 1
Background on the Social Security Benefit Formula 1
How the Windfall Elimination Provision Works 3
The Number of People Who Are Affected by the WEP 5
Legislative History and Rationale 6
Arguments for the WEP 6
Arguments Against the WEP 6
The WEP's Impact on Low-Income Workers 7
Legislative Activity on the WEP in the 115th Congress 7

Tables

Table 1. Social Security Benefit Formula for Workers Who First Become Eligible in 2018 2
Table 2. PIA for a Worker with AIME of $1,500 Who Becomes Eligible in 2018 and Has 20 Years of Substantial Coverage 3
Table 3. Maximum WEP Reduction for Workers Who Become Eligible in 2018, by Years of Substantial Coverage 4
Table 4. Number of Social Security Beneficiaries in Current Payment Status with Benefits Affected by WEP, by Type, December 2014-December 2017 5
Table 5. Number of Social Security Worker Beneficiaries in Current Payment Status with Benefits Affected by WEP, by Gender and Type, December 2017 5

Table A-1. Number of Social Security Beneficiaries in Current Payment Status with Benefits Affected by WEP, by State and Type of Beneficiary, December 2017 9
Table A-2. Percentage of Social Security Beneficiaries in Current Payment Status Affected by the WEP, by State and Type of Beneficiary, December 2017 10

Appendixes

Appendix. WEP Affected Beneficiaries, by State 9

Contacts

Author Information 12

Introduction

Social Security provides insured workers and their eligible family members with a measure of protection against the loss of income due to the worker's retirement, disability, or death. The amount of the monthly benefit payable to workers and their family members is based on the worker's career-average earnings from jobs covered by Social Security (i.e., jobs in which the worker's earnings were subject to the Social Security payroll tax).[1] The Social Security benefit formula is weighted to replace a greater share of career-average earnings for low-paid workers than for high-paid workers. This means that low-paid workers receive relatively high benefits in relation to their payroll tax contributions, although the dollar amount of their benefits is lower than that provided to high-paid workers.

The benefit formula, however, cannot distinguish between workers who have low career-average earnings because they worked for many years at low earnings in Social Security-covered employment and workers who appear to have low career-average earnings because they worked for many years in jobs not covered by Social Security. (Those years show up as zeros in their Social Security earnings records, which, when averaged, lower their career earnings from covered work.) Consequently, workers who split their careers between covered and noncovered employment—even highly paid ones—may also receive the advantage of the weighted formula.

The *windfall elimination provision* (WEP) is a modified benefit formula designed to remove the unintended advantage, or "windfall," of the regular benefit formula for certain retired or disabled workers who spent less than full careers in covered employment and who are also entitled to pension benefits based on earnings from jobs not covered by Social Security. The reduction in initial benefits caused by the WEP is designed to place affected workers in approximately the same position they would have been in had *all* their earnings been covered by Social Security.

Background on the Social Security Benefit Formula

Workers qualify for Social Security benefits if they worked and paid Social Security payroll taxes for a sufficient amount of time in covered employment.[2] Retired workers need at least 40 quarters of coverage (or about 10 years of covered work), whereas disabled workers generally need fewer quarters of coverage.[3] Initial benefits are based on a worker's career-average earnings from jobs covered by Social Security. In computing the initial benefit amount, a worker's annual taxable earnings are indexed (i.e., adjusted) to average earnings growth in the national economy.[4] This is done to bring earlier years of earnings up to a comparable, current basis. Next, a summarized measure of a worker's career-average earnings is found by totaling the highest 35 years of covered earnings and then dividing by 35.[5] After that, a monthly average, known as *average indexed monthly earnings* (AIME), is found by dividing the annual average by 12.

[1] For the purposes of this report, the term *payroll tax* includes the Social Security self-employment tax.

[2] Unless otherwise noted, the term *covered employment* includes self-employment covered by Social Security.

[3] See Social Security Administration (SSA), *How You Earn Credits*, Publication No. 05-10072, January 2018, https://www.ssa.gov/pubs/EN-05-10072.pdf.

[4] Years of earnings are indexed up to the second calendar year before the year of earliest eligibility (i.e., the year in which the worker first attains aged 62, becomes disabled, or dies). Years of earnings after the last indexing year are counted in nominal (i.e., unadjusted) dollars.

[5] The number of benefit computation years for disabled or deceased workers may be fewer than 35 years.

Once the worker's AIME has been derived, it is then entered into the Social Security benefit formula to produce the worker's initial benefit amount. The benefit formula is progressive, replacing a greater share of career-average earnings for low-paid workers than for high-paid workers. The benefit formula applies three factors—90%, 32%, and 15%—to three different levels, or *brackets*, of AIME. The result is known as the *primary insurance amount* (PIA) and is rounded down to the nearest 10 cents. The PIA is the worker's basic benefit before any adjustments are applied.[6] The benefit formula applicable to a given worker is based on the individual's earliest *eligibility year* (ELY), that is, the year in which the worker first attains aged 62, becomes disabled, or dies.[7] For workers whose ELY is 2018, the PIA is determined as follows in **Table 1.**

Table 1. Social Security Benefit Formula for Workers Who First Become Eligible in 2018

Factor	Average Indexed Monthly Earnings (AIME)
90%	of the first $895, plus
32%	of AIME over $895 and through $5,397 (if any), plus
15%	of AIME over $5,397 (if any)

Source: CRS, based on Social Security Administration (SSA), Office of the Chief Actuary (OCACT), "Benefit Formula Bend Points," https://www.ssa.gov/oact/cola/bendpoints.html.

The averaging provision in the benefit formula tends to cause workers with short careers in Social Security-covered employment to have low AIMEs, even if they had high earnings in their noncovered career, similar to people who worked for low earnings in covered employment throughout their careers. This is because years of zero covered earnings are entered as zeros into the formula that averages the worker's earnings history over 35 years. For example, a person with 10 years in Social Security-covered employment would have an AIME that reflects 25 years of zero earnings, even if that person worked for 25 years in a high-paying, noncovered career.

Consequently, for a worker whose AIME is low because his or her career was split between covered and noncovered employment, the benefit formula replaces more of covered earnings at the 90% rate than if the worker had spent a full 35-year career in covered employment at the same earnings level. The higher replacement rate[8] for workers who have split their careers between Social Security-covered and noncovered jobs is sometimes referred to as a "windfall."[9]

[6] The worker's primary insurance amount (PIA) is subsequently adjusted to account for inflation through cost-of-living adjustments (COLAs). Additional adjustments may be made to the PIA to account for early retirement, delayed retirement, or certain other factors.

[7] Although the factors in the formula are fixed in law, the dollar amounts defining the brackets, also known as *bend points*, are adjusted annually for average earnings growth in the national economy. Because the bend points change each year, the benefit formula for a worker with an earliest eligibility year (ELY) in 2018 is different from the benefit formula for a worker with an ELY in any other year. For bend point amount for years prior to 2018, see SSA, Office of the Chief Actuary (OCACT), "Benefit Formula Bend Points," https://www.ssa.gov/oact/cola/bendpoints.html.

[8] The *replacement rate* is the ratio of the program benefit to a worker's prior earnings.

[9] The windfall elimination provision (WEP) is sometimes confused with the government pension offset (GPO), which reduces Social Security benefits paid to spouses and widow(er)s of insured workers if the spouse or widow(er) also receives a pension based on government employment not covered by Social Security. See CRS Report RL32453, *Social Security: The Government Pension Offset (GPO)*.

How the Windfall Elimination Provision Works

A different Social Security benefit formula, known informally as the *windfall elimination provision*, applies to certain workers who are entitled to Social Security benefits as well as to pension benefits from employment not covered by Social Security.[10] Under the WEP, the 90% factor in the first bracket of the formula is reduced to as low as 40%. The effect is to lower the proportion of earnings in the first bracket that are converted to benefits. **Table 2** illustrates how the regular benefit formula and the WEP work in 2018 for someone with a 40% factor.

Table 2. PIA for a Worker with AIME of $1,500 Who Becomes Eligible in 2018 and Has 20 Years of Substantial Coverage

Regular Formula		WEP Formula	
90% of first $895	$805.50	*40%* of first $895	$358.00
32% of earnings over $895 and through $5,397	193.60	32% of earnings over $895 and through $5,397	193.60
15% over $5,397	0.00	15% over $5,397	0.00
Total	**$999.10**	**Total**	**$551.60**

Source: CRS.

Note: PIA = Primary Insurance Amount. AIME = Average Indexed Monthly Earnings. To simplify the example, rounding conventions that would normally apply are not used here.

In this scenario, the monthly benefit is $447.50 lower under the WEP than under the regular benefit formula ($999.10 *minus* $551.60). Note that the WEP reduction is limited to the first bracket in the AIME formula (90% vs. 40%), while the 32% and 15% factors for the second and third brackets are unchanged. As a result, for AIME amounts that exceed the first formula threshold of $895, the WEP reduction remains a flat $447.50 per month. For example, if the worker had an AIME of $4,000 instead of $1,500, the WEP reduction would still be $447.50 per month. The WEP therefore causes a proportionally larger reduction in benefits for workers with lower AIMEs and monthly benefit amounts.[11]

A *guarantee* in the WEP ensures that the WEP reduction cannot exceed half of the noncovered pension based on the worker's noncovered work. This guarantee is designed to help protect workers with low pensions from noncovered work. The WEP does not apply to workers who have 30 or more years of substantial employment covered under Social Security, with an adjusted formula for workers with 21 to 29 years of substantial covered employment, as shown in **Table 3**.[12]

[10] Section 215(a)(7) and (d)(3) of the Social Security Act; 42 U.S.C. §415(a)(7) and (d)(3). See also 20 C.F.R. §§404.213 and 404.243. Moreover, see SSA, Program Operations Manual System, "RS 00605.360 WEP Applicability," June 24, 2013, http://policy.ssa.gov/poms.nsf/lnx/0300605360. The term "windfall elimination provision" is not specified in statute or in SSA's regulations.

[11] For the worker shown in **Table 2,** with an AIME of $1,500 and a monthly benefit of $999.10 under the regular benefit formula in 2018, the WEP reduction of $447.50 represents a cut of approximately 45% to the regular formula monthly benefit amount. By comparison, a worker with an AIME of $4,000 would be entitled to a PIA of $1,799.10 under the 2018 regular benefit formula, and the same WEP reduction of $447.50 per month would represent a 25% reduction in this worker's monthly benefit amount.

[12] For determining years of coverage after 1978 for individuals with pensions from noncovered employment, "substantial coverage" is defined as 25% of the "old law" Social Security maximum taxable earnings base for each year in question. The old law maximum taxable earnings base refers to the earnings base that would have been in effect had

Table 3. Maximum WEP Reduction for Workers Who Become Eligible in 2018, by Years of Substantial Coverage

Years of Social Security Coverage										
20 or fewer	**21**	**22**	**23**	**24**	**25**	**26**	**27**	**28**	**29**	**30+**
First factor in formula:										
40%	45%	50%	55%	60%	65%	70%	75%	80%	85%	90%
Maximum dollar amount of monthly WEP reduction for workers who first become eligible for Social Security in 2018:[a]										
$447.50	$402.75	$358.00	$313.25	$268.50	$223.75	$179.00	$134.25	$89.50	$44.75	$0.00

Source: CRS.

Notes: The WEP reduction may be lower than the amount shown because the reduction is limited to one-half of the worker's pension from noncovered employment. In addition, because the WEP reduces the initial benefit amount *before* it is reduced or increased due to early retirement, delayed retirement credits (DRCs), cost-of-living adjustments (COLAs), or other factors, the difference between the final benefit with the WEP and the final benefit without the WEP may be less than or greater than the amounts shown.

a. The maximum dollar amount of the monthly WEP is based on a worker's ELY. Because the dollar amounts defining the brackets in the benefit formula change each year, the maximum dollar amount of the WEP reduction for a worker with an ELY of 2018 is different from the maximum deduction for a worker with an ELY of any other year. For maximum WEP reduction amounts for workers with ELYs prior to 2018, see SSA, "Windfall Elimination Provision (WEP) Chart," https://www.ssa.gov/planners/retire/wep-chart.html.

The WEP applies to benefits payable to retired or disabled workers who meet the criteria above and to their eligible dependents; however, it does *not* apply to benefits payable to survivors of deceased insured workers. Groups of workers likely to be affected by the WEP include certain state and local government employees who are covered by alternative pension plans through their employers[13] and most permanent civilian federal employees hired before January 1, 1984, who are covered by the Civil Service Retirement System (CSRS).[14] The WEP does *not* apply to

- federal employees performing service on January 1, 1984, to which coverage was extended on that date by reason of the Social Security Amendments of 1983 (P.L. 98-21);
- employees of a nonprofit organization who were exempt from Social Security coverage on December 31, 1983, and who became covered for the first time on January 1, 1984, under P.L. 98-21;
- workers who attained age 62, became disabled, or were first eligible for a pension from noncovered employment before 1986;

the Social Security Amendments of 1977 (P.L. 95-216) not been enacted. In 2018, the old-law taxable earnings base is equal to $95,400; therefore, to earn credit for one year of substantial employment under the WEP, a worker would have to earn at least $23,850 in Social Security-covered employment. For the thresholds for previous years, see SSA, OCACT, "Old-Law Base and Year of Coverage," https://www.ssa.gov/oact/cola/yoc.html.

[13] See Department of the Treasury, Internal Revenue Service (IRS), *Federal-State Reference Guide*, IRS Publication 963 (Rev. 11-2014), https://www.irs.gov/pub/irs-pdf/p963.pdf.

[14] See CRS Report 98-810, *Federal Employees' Retirement System: Benefits and Financing*.

- workers who receive foreign pension payments after 1994 that are based on a totalization agreement with the United States;[15]
- workers whose only noncovered pension is based on earnings from noncovered domestic or foreign employment before 1957;[16] and
- railroad workers whose only noncovered pension is based on earnings from employment covered by the Railroad Retirement Act.[17]

The Number of People Who Are Affected by the WEP

According to the Social Security Administration (SSA), as of December 2017, more than 1.8 million Social Security beneficiaries were affected by the WEP (**Table 4**). The overwhelming majority of those affected (about 94%) were retired workers. Approximately 3% of all Social Security beneficiaries (including disabled workers and dependent beneficiaries) and 4% of all retired-worker beneficiaries were affected by the WEP in December 2017.[18] Of retired workers affected by the WEP, approximately 58% were men (**Table 5**).

Table 4. Number of Social Security Beneficiaries in Current Payment Status with Benefits Affected by WEP, by Type, December 2014-December 2017

Year	Total	Retired Worker	Disabled Worker	Spouses and Children
2014	1,623,795	1,506,792	16,613	100,390
2015	1,692,609	1,574,787	15,823	101,999
2016	1,747,361	1,629,825	14,896	102,640
2017	1,804,095	1,687,542	13,981	102,572

Source: CRS, based on unpublished data from Social Security Administration (SSA), Office of Research, Evaluation, and Statistics (ORES), Table B, select years.

Table 5. Number of Social Security Worker Beneficiaries in Current Payment Status with Benefits Affected by WEP, by Gender and Type, December 2017

Gender	All Workers	Retired Workers	Disabled Workers
All Beneficiaries	**1,701,523**	**1,687,542**	**13,981**
Women	710,094	703,775	6,319
Men	991,429	983,767	7,662

[15] *Totalization agreements* are bilateral agreements that provide limited coordination of the U.S. Social Security program with comparable social insurance programs of other countries. The agreements are intended primarily to eliminate dual Social Security taxation based on the same work and provide benefit protection for workers who divide their careers between the United States and a foreign country.

[16] The WEP does not apply in cases where the pension is based, in part, on noncovered military reserve duty before 1988 but after 1956.

[17] SSA, POMS, "RS 00605.362 Windfall Elimination Provision (WEP) Exceptions," November 9, 2017, https://secure.ssa.gov/poms.nsf/lnx/0300605362.

[18] Data on the total Social Security beneficiary and retired-worker populations used in these calculations are from SSA, OCACT, "Benefits Paid By Type Of Beneficiary," https://www.ssa.gov/oact/ProgData/icp.html.

Source: CRS, based on unpublished data from SSA, ORES, Table W01, June 2018.

For data on the number and share of Social Security beneficiaries affected by the WEP, by state, see **Table A-1** and **Table A-2** in the **Appendix**, respectively.

Legislative History and Rationale

The WEP was enacted in 1983 as part of major amendments (P.L. 98-21) designed to shore up the financing of the Social Security program. The 40% WEP formula factor was the result of a compromise between a House bill that would have substituted a 61% factor for the regular 90% factor and a Senate proposal that would have substituted a 32% factor.[19]

The purpose of the 1983 provision was to remove an unintended advantage that the regular Social Security benefit formula provided to certain retired or disabled worker-beneficiaries who were also entitled to pension benefits based on earnings from jobs not subject to the Social Security payroll tax. The regular formula was intended to help workers who spent their lifetimes in low-paying jobs, by providing them with a benefit that replaces a higher proportion of their career-average earnings than the benefit provided to workers with high career-average earnings. However, the formula does not differentiate between those who worked in low-paid jobs throughout their careers and other workers who appear to have been low paid because they worked many years in jobs not covered by Social Security. Under the old law, workers who were employed for only a portion of their careers in jobs covered by Social Security—even highly paid ones—also received the advantage of the weighted formula, because their few years of covered earnings were averaged over their entire working career to determine the average covered earnings on which their Social Security benefits were based. The WEP is intended to place affected workers in approximately the same position they would have been in had *all* their earnings been covered by Social Security.

Arguments for the WEP

Proponents of the measure say that it is a reasonable means to prevent payment of overgenerous and unintended benefits to certain workers who otherwise would profit from happenstance (i.e., the mechanics of the Social Security benefit formula). Furthermore, they maintain that the provision rarely causes hardship because by and large the people affected are reasonably well off because by definition they also receive pensions from noncovered work. The guarantee provision ensures that the reduction in Social Security benefits cannot exceed half of the pension from noncovered work, which protects people with small pensions from noncovered work. In addition, the impact of the WEP is reduced for workers who spend 21 to 29 years in Social Security-covered work and is eliminated for people who spend 30 years or more in Social Security-covered work.

Arguments Against the WEP

Some opponents believe the provision is unfair because it substantially reduces a benefit that workers may have included in their retirement plans. Others criticize how the provision works.

[19] U.S. Congress, Committee of Conference, *Social Security Amendments of 1983*, conference report to accompany H.R. 1900, 98th Cong., 1st sess., March 24, 1983, H.Rept. 98-47 (Washington: GPO, 1983), pp. 120-121, http://www.finance.senate.gov/imo/media/doc/Conf-98-47.pdf.

They say the arbitrary 40% factor in the windfall elimination formula is an imprecise way to determine the actual windfall when applied to individual cases.[20]

The WEP's Impact on Low-Income Workers

The impact of the WEP on low-income workers has been the subject of debate. Jeffrey Brown and Scott Weisbenner (hereinafter "Brown and Weisbenner") point out two reasons why the WEP can be regressive.[21] First, because the WEP adjustment is confined to the first bracket of the benefit formula ($895 in 2018), it causes a proportionally larger reduction in benefits for workers with lower AIMEs and benefit amounts. Second, a high earner is more likely than a low earner to cross the "substantial work" threshold for accumulating years of covered earnings (in 2018 this threshold is $23,850 in Social Security-covered earnings); therefore, high earners are more likely to benefit from the provision that phases out the WEP for people with between 21 and 30 years of covered employment.

Brown and Weisbenner found that the WEP does reduce benefits disproportionately for lower-earning households. For some high-income households, applying the WEP to covered earnings even provides a higher replacement rate than if the WEP were applied proportionately to all earnings, covered and noncovered. Brown and Weisbenner found that the WEP can also lead to large changes in Social Security replacement rates based on small changes in covered earnings, particularly when a small increase in covered earnings carries a person over the threshold for an additional year of substantial covered earnings, leading to an adjustment in the WEP formula applied to the AIME.

SSA estimated that in 2000, 3.5% of beneficiaries affected by the WEP had incomes below the poverty line. For comparison purposes, at that time 8.5% of Social Security beneficiaries aged 65 and older had incomes below the poverty line and 11.3% of the general population had incomes below the poverty line.[22] This comparison implies that people who are subject to the WEP, who by definition also have pensions from noncovered employment, face a somewhat reduced risk of poverty compared with other Social Security beneficiaries.

Legislative Activity on the WEP in the 115th Congress

H.R. 1205 and S. 915, identical bills both titled the Social Security Fairness Act of 2017, were introduced by Representative Rodney Davis on February 21, 2017, and Senator Sherrod Brown on April 24, 2017, respectively. The legislation would repeal the WEP as well as the *government pension offset* (GPO), which reduces the Social Security benefits paid to spouses and widow(er)s of insured workers if the spouse or widow(er) also receives a pension based on government

[20] See, for example, the Social Security Advisory Board, *The Windfall Elimination Provision: It's Time to Correct the Math*, October 1, 2015, http://www.ssab.gov/Portals/0/OUR_WORK/REPORTS/WEP_Position_Paper_2015.pdf.

[21] Jeffrey R. Brown and Scott Weisbenner, "The Distributional Effects of the Social Security Windfall Elimination Provision," *Journal of Pension Economics and Finance*, vol. 12, iss. 04 (October 2013), pp. 415-434, http://business.illinois.edu/weisbenn/RESEARCH/PAPERS/JPEF_Brown_Weisbenner.pdf.

[22] These are the most recent estimates available. Poverty rates were calculated by David Weaver, formerly of SSA's Office of Retirement Policy, using the March 2001 Current Population Survey (CPS). Poverty status is taken directly from the CPS and is thus subject to errors in the reporting of income. The sample size for the WEP poverty rate is relatively small (230 cases) and only includes people for whom SSA administrative records could be matched.

employment not covered by Social Security.[23] The elimination of the WEP and GPO would apply to benefits payable for months after December 2017.

In 2016, SSA's Office of the Chief Actuary (OCACT) projected that repealing both the WEP and the GPO would reduce the long-range actuarial balance (i.e., increase the net long-term cost) of the combined Social Security trust funds by 0.13% of taxable payroll.[24] OCACT estimated that repealing only the WEP would reduce the long-range actuarial balance of the combined trust funds by 0.08% of taxable payroll.[25]

[23] See CRS Report RL32453, *Social Security: The Government Pension Offset (GPO)*. See also CRS In Focus IF10203, *Social Security: The Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO)*.

[24] Letter from Stephen C. Goss, Chief Actuary, SSA, to the Honorable Sherrod Brown, U.S. Senate, February 24, 2016, https://www.ssa.gov/oact/solvency/SBrown_20160224.pdf. The projection was based on the intermediate assumptions of the 2015 Social Security trustees report. *Taxable payroll* is the total amount of earnings in the economy that is subject to Social Security payroll and self-employment taxes (with some adjustments).

[25] Informal cost estimate provided to CRS by OCACT on June 14, 2018. OCACT estimated that repealing only the GPO would reduce the long-range actuarial balance of the combined trust funds by 0.06% of taxable payroll.

Appendix. WEP Affected Beneficiaries, by State

Table A-1. Number of Social Security Beneficiaries in Current Payment Status with Benefits Affected by WEP, by State and Type of Beneficiary, December 2017

State	Total	Type of Beneficiary		
		Retired Workers	Disabled Workers	Spouses and Children
Total	**1,804,095**	**1,687,542**	**13,981**	**102,572**
Alabama	18,771	17,463	224	1,084
Alaska	10,862	10,334	74	454
Arizona	34,000	31,945	240	1,815
Arkansas	10,570	10,012	136	422
California	249,198	234,081	1,784	13,333
Colorado	59,621	56,533	734	2,354
Connecticut	18,875	18,089	123	663
Delaware	4,152	3,962	31	159
District of Columbia	7,711	7,435	71	205
Florida	99,892	93,602	659	5,631
Georgia	52,543	50,108	440	1,995
Hawaii	10,812	10,042	41	729
Idaho	7,852	7,344	72	436
Illinois	93,718	89,644	451	3,623
Indiana	16,785	15,849	156	780
Iowa	8,300	7,894	52	354
Kansas	9,340	8,840	86	414
Kentucky	23,693	22,523	216	954
Louisiana	42,328	39,500	636	2,192
Maine	17,642	16,880	96	666
Maryland	47,577	45,152	321	2,104
Massachusetts	72,856	69,776	597	2,483
Michigan	21,539	20,127	208	1,204
Minnesota	16,874	16,060	104	710
Mississippi	9,761	9,150	120	491
Missouri	38,192	36,731	271	1,190
Montana	6,249	5,891	29	329
Nebraska	5,471	5,207	42	222
Nevada	30,918	29,640	222	1,056
New Hampshire	8,043	7,626	84	333
New Jersey	22,916	21,347	236	1,333
New Mexico	13,462	12,463	142	857
New York	32,532	30,162	296	2,074
North Carolina	30,227	28,731	198	1,298
North Dakota	2,342	2,223	13	106

State	Total	Type of Beneficiary		
		Retired Workers	Disabled Workers	Spouses and Children
Ohio	138,005	131,219	1,333	5,453
Oklahoma	17,503	16,414	176	913
Oregon	17,424	16,371	102	951
Pennsylvania	36,607	34,298	359	1,950
Rhode Island	5,618	5,376	49	193
South Carolina	18,711	17,700	142	869
South Dakota	3,977	3,807	23	147
Tennessee	20,787	19,592	162	1,033
Texas	172,981	163,210	1,215	8,556
Utah	13,818	12,756	101	961
Vermont	2,653	2,491	12	150
Virginia	49,212	46,137	238	2,837
Washington	32,811	30,409	220	2,182
West Virginia	6,306	5,820	80	406
Wisconsin	12,421	11,771	68	582
Wyoming	2,482	2,354	13	115
Outlying Areas and Foreign Countries	97,155	75,451	483	21,221

Source: CRS, based on unpublished data from SSA, ORES, Table B, June 2018.

Table A-2. Percentage of Social Security Beneficiaries in Current Payment Status Affected by the WEP, by State and Type of Beneficiary, December 2017

State	All Beneficiaries	Type of Beneficiary		
		Retired Workers	Disabled Workers	Spouses and Children
Total	**2.9%**	**4.0%**	**0.2%**	**2.2%**
Alabama	1.7%	2.5%	0.1%	1.2%
Alaska	11.0%	15.1%	0.6%	6.0%
Arizona	2.6%	3.4%	0.2%	2.0%
Arkansas	1.5%	2.3%	0.1%	0.8%
California	4.3%	5.6%	0.3%	2.7%
Colorado	7.0%	9.2%	0.7%	3.8%
Connecticut	2.8%	3.7%	0.2%	1.5%
Delaware	2.0%	2.6%	0.1%	1.3%
District of Columbia	9.4%	13.3%	0.5%	4.5%
Florida	2.2%	2.8%	0.1%	1.8%
Georgia	2.9%	4.2%	0.2%	1.6%
Hawaii	4.1%	4.9%	0.2%	4.2%
Idaho	2.3%	3.1%	0.2%	1.7%
Illinois	4.2%	5.8%	0.2%	2.2%
Indiana	1.3%	1.8%	0.1%	0.8%

State	All Beneficiaries	Type of Beneficiary		
		Retired Workers	Disabled Workers	Spouses and Children
Iowa	1.3%	1.7%	0.1%	0.9%
Kansas	1.7%	2.3%	0.1%	1.1%
Kentucky	2.4%	3.9%	0.1%	1.1%
Louisiana	4.7%	7.5%	0.4%	2.5%
Maine	5.2%	7.4%	0.2%	2.6%
Maryland	4.8%	6.4%	0.2%	3.3%
Massachusetts	5.8%	8.1%	0.3%	2.5%
Michigan	1.0%	1.4%	0.1%	0.7%
Minnesota	1.7%	2.2%	0.1%	1.0%
Mississippi	1.5%	2.3%	0.1%	0.9%
Missouri	3.0%	4.3%	0.1%	1.4%
Montana	2.7%	3.6%	0.1%	2.2%
Nebraska	1.6%	2.1%	0.1%	1.0%
Nevada	5.9%	7.8%	0.3%	3.3%
New Hampshire	2.7%	3.7%	0.2%	1.4%
New Jersey	1.4%	1.8%	0.1%	1.1%
New Mexico	3.1%	4.3%	0.2%	2.5%
New York	0.9%	1.2%	0.1%	0.7%
North Carolina	1.5%	2.0%	0.1%	1.0%
North Dakota	1.8%	2.4%	0.1%	1.2%
Ohio	5.9%	8.5%	0.4%	3.1%
Oklahoma	2.2%	3.2%	0.1%	1.6%
Oregon	2.0%	2.6%	0.1%	1.7%
Pennsylvania	1.3%	1.8%	0.1%	1.0%
Rhode Island	2.5%	3.5%	0.1%	1.3%
South Carolina	1.7%	2.3%	0.1%	1.2%
South Dakota	2.3%	3.0%	0.1%	1.4%
Tennessee	1.5%	2.1%	0.1%	1.0%
Texas	4.2%	6.0%	0.2%	2.3%
Utah	3.5%	4.7%	0.2%	2.7%
Vermont	1.8%	2.4%	0.1%	1.4%
Virginia	3.3%	4.4%	0.1%	2.6%
Washington	2.5%	3.2%	0.1%	2.2%
West Virginia	1.3%	2.1%	0.1%	0.9%
Wisconsin	1.0%	1.4%	0.0%	0.7%
Wyoming	2.3%	3.0%	0.1%	1.7%
Outlying Areas and Foreign Countries	6.4%	8.4%	0.3%	8.9%

Source: CRS analysis of data from the following sources: SSA, ORES, Table B, June 2018 (unpublished); and SSA, ORES, *Annual Statistical Supplement, 2018* (in progress), Table 5.J2, https://www.ssa.gov/policy/docs/statcomps/supplement/2018/.

Notes: The column "All Beneficiaries" includes survivor beneficiaries who are not subject to the WEP. The row "Outlying Areas and Foreign Countries" includes a small number of Social Security beneficiaries whose state or area is unknown.

Author Information

William R. Morton
Analyst in Income Security

Acknowledgments

This report was authored by multiple former CRS analysts. CRS would like to thank SSA's Office of Research, Evaluation, and Statistics for providing CRS with unpublished data on beneficiaries affected by the WEP.

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.