



NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

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November 19, 2007

The Honorable John F. Kerry
Chairman
Subcommittee on Social Security, Pensions, and Family Policy
Committee on Finance
United States Senate
Washington, D.C. 20010

**Re: GPO and WEP -- Policies Affecting Pensions
from Work Not Covered by Social Security
(Hearing of November 6, 2007)**

Dear Chairman Kerry:

As one who was born in and has lived most of his life in the Bay State of Massachusetts, I am pleased to present this statement on behalf of the 35,000 members of the National Association of Postal Supervisors. I ask that this statement be included in the record of your Subcommittee's hearing on November 6 on the Government Pension Offset and the Windfall Elimination Provision.

Thank you for your leadership in holding the hearing on November 6 and your attention to this important issue. I also want to express our gratitude to Senator Feinstein and to Senator Collins for their sponsorship of the Social Security Fairness Act of 2007 (S. 206), to Senator Mikulski and Senator Voinovich for their sponsorship of the Government Pension Offset Reform Act (S. 1254), and to Sen. Kay Bailey Hutchison for her sponsorship of the Public Servant Retirement Protection Act (S. 1647).

The National Association of Postal Supervisors has maintained a long-standing opposition to the Government Pension Offset and the Windfall Elimination Provision, both of which have a highly negative impact on the retirement security of people who have dedicated their lives to public service. We are concerned by the blunt and unfair application of these provisions to 7.3 million employees at the federal, state and local levels. As the Government Accountability Office, in its testimony at the November 6 hearing, noted, "... there are no easy answers to the difficulties of equalizing Social Security's treatment of covered and noncovered workers." Nonetheless, in the absence of Congressional action, the unfairness of the GPO and WEP will continue to bear their onerous mark and inflict unwarranted misery upon countless public servants.

Representing supervisors, managers and postmasters in the United States Postal Service



The Government Offset Provision reduces benefits for the spouse of a person receiving a government pension. It was enacted to mirror the dual-entitlement rule of Social Security to reduce spousal benefits for those who, in theory, don't need it because they receive their own benefit. The GPO reduces public employees' Social Security spousal or survivor benefits by an amount equal to two-thirds of their public pensions. Estimates indicate that nine out of 10 public employees affected by the GPO lose their entire spousal benefit, even though their deceased spouses paid Social Security taxes for many years. What is most troubling is that this offset is most harsh for those who can least afford the loss -- lower-income women. In fact, of those affected by the GPO, over 70 percent are women. According to the Congressional Budget Office, the GPO reduces benefits for more than 200,000 individuals by more than \$3,600 a year -- an amount that can make the difference between a comfortable retirement and poverty.

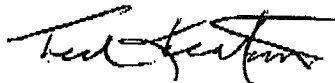
The Windfall Elimination Provision was designed to remove an unintended advantage in the Social Security benefit formula for some people receiving a government pension, but it causes hard-working people to lose a significant portion of the benefits they earned in return for a lifetime of hard work and public service. The WEP affects people who have worked in jobs not covered by Social Security and in jobs in which they earned Social Security benefits. Public servants at the federal, state and local levels are commonly hurt by this provision when they have paid toward a public pension but not toward Social Security, and previously worked in jobs covered by Social Security. The result is that public employee retirees often receive a much smaller Social Security benefit.

These provisions together often leave individuals with less of a benefit than they had counted on for retirement and treat public sector employers worse than private sector employees. And most troubling of all, at a time when we need their service the most, they discourage people from staying in public service.

Finally, we are conscious of the cost of repeal of these provisions in an environment where the long-term solvency of the Social Security trust funds is a troubling concern. Therefore, balanced against the above manifest unfairness of the GPO and the WEP, we urge you to take action to eliminate or, at the very least, take incremental steps toward full repeal of these two unfair provisions.

Thank you for your leadership on this issue and your attention to our concerns.

Sincerely yours,



Ted Keating
National President