



## The Daily Dish

# An Act of Unfairness

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The Senate is considering the so-called Social Security Fairness Act (SSFA), but the reality is anything but fair. The very short version is that the SSFA will:

- Make the Social Security benefit formula less fair;
- Accelerate the insolvency of the Social Security trust funds, unfairly burdening future workers; and
- Provide a \$200-billion windfall to public-sector employees, a final, unfair act by the most pro-union, pro-profligacy president.

How does this happen? The Social Security benefit is based on average earnings over 35 years of a working career, with high career earners getting a smaller fraction of their lifetime average than low lifetime earners. This works fine when someone is employed entirely in the private sector and paying payroll taxes for their entire career.

But a government employee (think municipal firefighter) might work for 25 years and get a cushy government pension (way more generous than Social Security) and then turn around and work another 10 years in the private sector. When the employee retires, the formula treats the first 25 years as zero earnings (because no payroll tax was paid) and counts only the final 10. Over the entire 35 years, the average is quite low, so the benefit formula treats the government worker as a very lower earner and provides a very high fraction of that average as the benefit.

This produced a real unfairness. Two identical earners, one entirely in the private sector and one split between a government career and the private sector, would receive different Social Security benefits, with the government employee getting more. Once this was understood, Congress long ago passed the Windfall Elimination Provision (WEP) to make the formula fair.

The SSFA would eliminate the WEP (and a related spousal benefit provision), re-creating the original inequity. Just say no. It would increase overall benefit payments by roughly \$200 billion, accelerating the exhaustion of the Social Security trust funds. Just say no. No. It would not hand that \$200 billion to needy Americans but instead to politically connected government (largely union) workers. Just say no, No, NO.