



October 25, 2019

The Honorable Kevin Brady
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Brady:

I am writing on behalf of the Ohio Public Employees Retirement System (OPERS) to express our support and gratitude for your efforts to reform the Social Security Windfall Elimination Provision (WEP) and provide some measure of relief for the millions of public employees who have already been impacted by that offset. We are hopeful that the initiatives introduced by you and Chairman Richard Neal will shine a light on the real-world impact of the WEP and finally produce a solution to this decades-old problem.

While other states may have larger populations of public employees who do not contribute to Social Security, Ohio has the highest percentage of non-Social Security-covered public employees in the nation. As a result, there are hundreds of thousands of Ohioans with mixed-service careers who are entitled to both a Social Security benefit and a state pension based on non-covered earnings. In many cases, these individuals are surprised to learn that a significant part of their Social Security benefits will be taken away simply because they chose careers of public service in a non-Social Security-covered state. They have worked diligently toward their retirements, made plans based on income they thought would be there, and are ultimately dismayed when confronted with the reality of the WEP. We believe it is fair to say that, whatever its intended purpose, the WEP has become an arbitrary, one-size-fits-all offset that impacts our public servants at a time in their lives when they are least able to adapt.

WEP relief is one of the most important issues for our retired members. We receive hundreds of inquiries and requests each year asking OPERS to do something about this offset. That is why we chose to engage with your office in 2014, prior to the introduction of the Equal Treatment of Public Servants Act. At the time, the notion of replacing the WEP with a proportional formula was a novel and innovative solution to a seemingly unsolvable problem. Before the Equal Treatment of Public Servants Act, numerous bills had been introduced to repeal the WEP in its entirety. Over the years, many of these initiatives garnered considerable support, but beyond an occasional hearing, none of them ever progressed passed the committee process. The Equal Treatment of Public Servants Act was different, and though we expressed concerns over certain aspects of that initial bill, we were encouraged by the possibility of a solution that could finally become law.

Since that time, we have reviewed and offered our thoughts regarding several versions of the Equal Treatment of Public Servants Act and we appreciate that you and your staff have been responsive to stakeholder questions and concerns. The bill has evolved to a point that we are now comfortable endorsing the proportional formula as a favorable replacement for the current

WEP, and we believe the most recent version of the bill provides current workers with a sufficient level of certainty that their plans and preparations for retirement will not be disrupted.


With regard to future generations of public employees in Ohio and elsewhere, we acknowledge that the proportional formula could result in lower Social Security benefits for some workers, including those whose benefits would not be reduced under current law. This continues to be an area of concern for us; however, we believe that the current bill provides an acceptable level of grandfathering that will allow younger workers to familiarize themselves with the new rules and plan their careers accordingly. In short, if this is the cost of meaningful and enactable WEP reform, then we believe it is a price worth considering.

That said, we are appreciative that Chairman Neal has sought to improve on an already good idea with his introduction of the Public Servants Protection and Fairness Act. In our estimation, this legislation builds on the strong foundation laid in previous versions of the Equal Treatment of Public Servants Act, but provides a more generous and predictable benefit structure, albeit at a higher cost to the Social Security Program. While we are cognizant that concerns over cost have presented challenges in the past, we believe Chairman Neal should be commended for his commitment to and leadership on this issue; and frankly, if there was ever a worthy investment of public dollars, it would be in the lives and well-being of the individuals who serve, protect, defend, and teach us on a daily basis.

To be clear, we strongly support *both* the Equal Treatment of Public Servants Act (HR 3934) and the Public Servants Protection and Fairness Act (HR 4540) because we believe that finding an alternative to the current WEP is too important to ignore any longer. Both bills offer a workable solution to a problem that negatively affects millions of Americans. In almost four decades, our country has not yet figured out how to address the problems associated with the WEP. Now we have two viable options and the prospect of bipartisan consensus on the issue. Ideally, there would be one bipartisan bill to rally behind, and we hope that both you and Chairman Neal will continue to work toward that end, but the need is too great and the cause too important to allow the fact that there are multiple bills to stand in the way of a solution. We urge you to continue to work toward a compromise that can be enacted into law.

If you have questions, please do not hesitate to contact us.

Sincerely,



Karen Carraher
Executive Director