

BILL ANALYSIS

H.C.R. 63
By: Noriega, Melissa
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Government Pension Offset provision (GPO) and the Windfall Elimination Provision (WEP), enacted in 1977 and 1983 respectively, penalize recipients of public pensions. The GPO eliminates or reduces the social security benefit for spouses, widows, or widowers who also receive a pension based on their own work for federal, state, or local government entities not covered by social security. The WEP reduces the social security benefit for public employees who held positions not covered by social security but who at some time in their careers were also employed in jobs where they paid social security taxes for the period required to qualify for retirement benefits.

The GPO and WEP currently affect more than 900,000 government employees and retirees across the country, but their effect on Texas is more acute because most of our state's public employees participate in state or municipal retirement systems that do not include social security. The GPO and WEP penalties apply only to recipients of public pensions, not recipients of private-sector pension benefits. Although most Texas school employees participate in the state's teacher retirement system and are not required to and do not participate in the social security system, many Texas teachers and other public school employees nonetheless have earned social security benefits on their own behalf through other employment, the WEP notwithstanding, or would be entitled to spousal social security benefits based on their spouses' lifetime earnings were it not for the GPO penalty. The effect of the GPO and WEP penalties are that veteran teachers retire prematurely and discourage qualified individuals from entering the profession. This resolution seeks to eliminate those negative effects and penalties associated with the GPO and WEP by asking Congress and the President to repeal both provisions of the Social Security Act.

RULEMAKING AUTHORITY

It is the committee's opinion that this resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

The proposed concurrent resolution urges the U.S. Congress to repeal the Government Pension Offset provision and the Windfall Elimination Provision of the Social Security Act. The resolution requests that the Texas Secretary of State forward official copies of the resolution to the President of the United States, the Speaker of the U.S. House of Representatives, and the President of the Senate of the U.S. Congress. The resolution also requests that the Texas Secretary of State forward official copies of the resolution to all members of the Texas delegation to the U.S. Congress with the additional request that the resolution be officially entered into the Congressional Record as a memorial to the Congress of the United States of America.

EFFECTIVE DATE

August 29, 2005