

Solutions, Strategies, Answers

Newsletter of the 18 Social Security Administration offices in Bucks, Chester, Delaware, Lehigh, Monroe, Montgomery, Northampton, and Philadelphia counties



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Babies ... We Need Babies

So, what do these little people have to do with the **2024 Social Security Trustees Report**? Well, we will get to that later. But first, as characterized by SSA Commissioner Martin O'Malley, the Report contains **"a measure of good news."** The projection is that Social Security will be able to pay full benefits until 2035, one year later than last year's projection. In 2035, the projected depletion of the Trust Fund will mean that income to the system would be sufficient to pay 83 percent of benefits. "Congress can and should take action" to remedy this, O'Malley said.

What changes affected the Trust Fund in a positive way?

- Higher potential Gross Domestic Product As a result of recent economic developments, the assumed sustainable trend level of potential GDP is assessed to be about three percent higher than that in last year's report.

- Applications for disability benefits, as well as the incidences of disability, remain historically low Even though applications and disability incidence rose slightly in 2023, the precipitous drop in both these numbers from 2016 to 2022 means today's numbers are still very low.

And what change affected the Trust Fund negatively?

- Now, back to those babies. The report lowered the projected fertility rate to 1.9 children per woman as of 2040. Previously it was projected to be at 2.0 through 2056. Of course, little ones grow up, get a job, pay FICA taxes, and it's decades before they collect benefits. Great for the system. So, c'mon people, let's get busy!

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How the Government Pension Offset Provision is Applied

If you receive a retirement or disability pension from a federal, state, or local government job, and you didn't pay into Social Security on that job, you most likely will not be entitled to Social Security spouse or surviving spouse benefits. This provision is called **Government Pension Offset (GPO)**. This rule offsets two-thirds of your pension against any spousal benefit. Let's say your civil service pension is \$1,800. This means \$1,200 (*which is two-thirds of \$1,800*) will be offset against your Social Security spousal amount. If your Social Security is set to be \$1,000, no benefit will be payable because \$1,200 is higher than \$1,000. Indeed, in most civil service cases, no SSA benefit will be payable unless the pension is on the low side.

What is the GPO rationale for offsetting the Social Security? Benefits to spouses, widows, and widowers are "dependent" benefits. Set up in the 1930s, these benefits were intended to compensate spouses who stayed home to raise a family and were financially dependent on the working spouse.

Today, it's common for both spouses to work, each earning their own retirement benefit. The law requires a person's spousal benefit to be offset by the dollar amount of their own retirement. E.g., if a woman worked and earned her own \$1,500 monthly Social Security benefit, but was also due a \$1,300 spouse's benefit, we couldn't pay that spouse's benefit because her own benefit offsets it. Before GPO, if that same woman was a government employee who didn't pay into Social Security and earned a \$1,500 government pension, there was no offset; we had to pay her a full spouse's benefit even though she was receiving a full government pension. If this person's government work had been subject to FICA taxes, we would reduce any spousal benefit because of their own retirement benefit. GPO ensures that we calculate the benefits of government employees who don't pay Social Security taxes the same as workers in the private sector who pay FICA taxes.

[Government Pension Offset \(ssa.gov\)](#)



It Was No Day at the Beach

This summer you probably will happily “hit the beach” somewhere along the Delaware or New Jersey shorelines. Rehoboth, Atlantic City, Ocean City, Wildwood. All familiar names, and a fun time will be had by all.

But 80 years ago, different beach names were in the news. Gold, Juno, Omaha, Sword, and Utah. Landing spots for the Allied military invasion against Nazi forces at Normandy, France. It was D-Day - June 6, 1944.

On the eve of the invasion, Allied Commander Dwight Eisenhower had a letter distributed to the troops. “The eyes of the world are upon you,” it read. “The hopes and prayers of liberty-loving people everywhere march with you ... I have full confidence in your courage, devotion to duty and skill in battle.” Over 156,000 ground troops from Britain, Canada and the U.S. would storm the five beaches. Proving Eisenhower prophetic, by day’s end the Allied forces controlled all the beach heads. Alas, the fierce fighting left the pristine coastline smeared with blood. An estimated 4,415 Allied troops lost their lives, with thousands more wounded. D-Day was a vital military victory, but it came at war’s awful price.

So, on those upcoming lazy, hazy days, let’s all look up from our beach reads and take a moment to remember what happened on a far-off coastline, on a June day 80 years ago. RIP, courageous ones, RIP.

[The National D-Day Memorial \(dday.org\)](http://dday.org)



U.S. population: 336 m
Social Sec. beneficiaries: 67 m

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School’s Out Soon ... Here’s Your Summer Reading List

Recognize these book titles? *King of Sloth. The Demon of Unrest. Funny Story. The Body Keeps the Score. The Algebra of Wealth.* All current best sellers. But note we said “sellers,” which of course means you pay! Well, here at SSA we have reading assignments for you that all come gratis. Check out our newest publications:

Disability Benefits – Booklet explains who can get Social Security disability, how to apply, who makes the decision, family benefits, Ticket to Work and ABLE accounts.



How To File An Unfair Treatment Complaint Concerning An Administrative Law Judge - Think the ALJ who conducted your hearing treated you unfairly? This booklet tells you what to do.

Overpayments – This fact sheet covers both appeal and waiver rights, as well as how to make repayments.

Who Do I Contact – Social Security or Medicare? Go to the right federal agency from the outset. This booklet shows who has jurisdiction.

Understanding Supplemental Security Income – This comprehensive booklet has 116 pages on all things SSI. A great resource regarding the program.

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The Higher of the Two

Since June is a popular wedding month, we thought it OK if we magically move a marriage forward a few years and review the rules governing spousal benefits for someone who is also due their own retirement.

Suppose you are due a \$1,200 retirement benefit, and your spousal benefit based on your husband/wife’s earnings would be \$1,350. Sorry, but you do not receive both benefits in full. You are entitled to your \$1,200 plus \$150 as a spouse, for a total of \$1,350. **You receive the higher amount of the two figures.** Likewise, if your own benefit was \$1,400, you would not receive any spousal benefit at this time. If your spouse later passes away, you may be entitled to a surviving spouse benefit, as that computation is completely different.