

BUILDING FOR YOUR RETIREMENT



BACKGROUND

1 *All NSHE employees are subject to the Windfall Elimination Provision (WEP) due to their participation in the Retirement Plan Alternative (RPA), NVPERS, or FICA Alternative.

*Student workers and Graduate Assistants are not included



2

HISTORY OF WEP

The Windfall Elimination Provision (WEP) was enacted in 1983 and reduces Social Security benefits for individuals who receive retirement benefits from non-Social Security covered employment to prevent an advantage over those employees who contributed to Social Security throughout their career.



WHY AM I AFFECTED?

3 You are affected because neither you nor NSHE contributes to Social Security. Instead, you contribute to a government retirement plan without participating in Social Security during employment. Ultimately, you will receive a retirement benefit from either the RPA, NVPERS, or FICA Alt.



HOW AM I AFFECTED BY WEP?

4 The Windfall Elimination Provision (WEP) reduction only affects the first portion of a person's Social Security benefit (called the Primary Insurance Amount (PIA)). The WEP does not eliminate the benefit entirely, it simply reduces it.

Take some time to explore this topic on your own (6 - Educate Yourself).

5



DO I HAVE TO NOTIFY SSA OF A TRIGGERING EVENT?

Yes, Triggering events must be accurately self-reported to SSA when you apply for benefits, or if you have already started receiving benefits, you should report your distribution to SSA as soon as possible to avoid overpayment of benefits.

Triggering event: Any rollover or cash withdrawal from earned retirement benefits.



6

EDUCATE YOURSELF

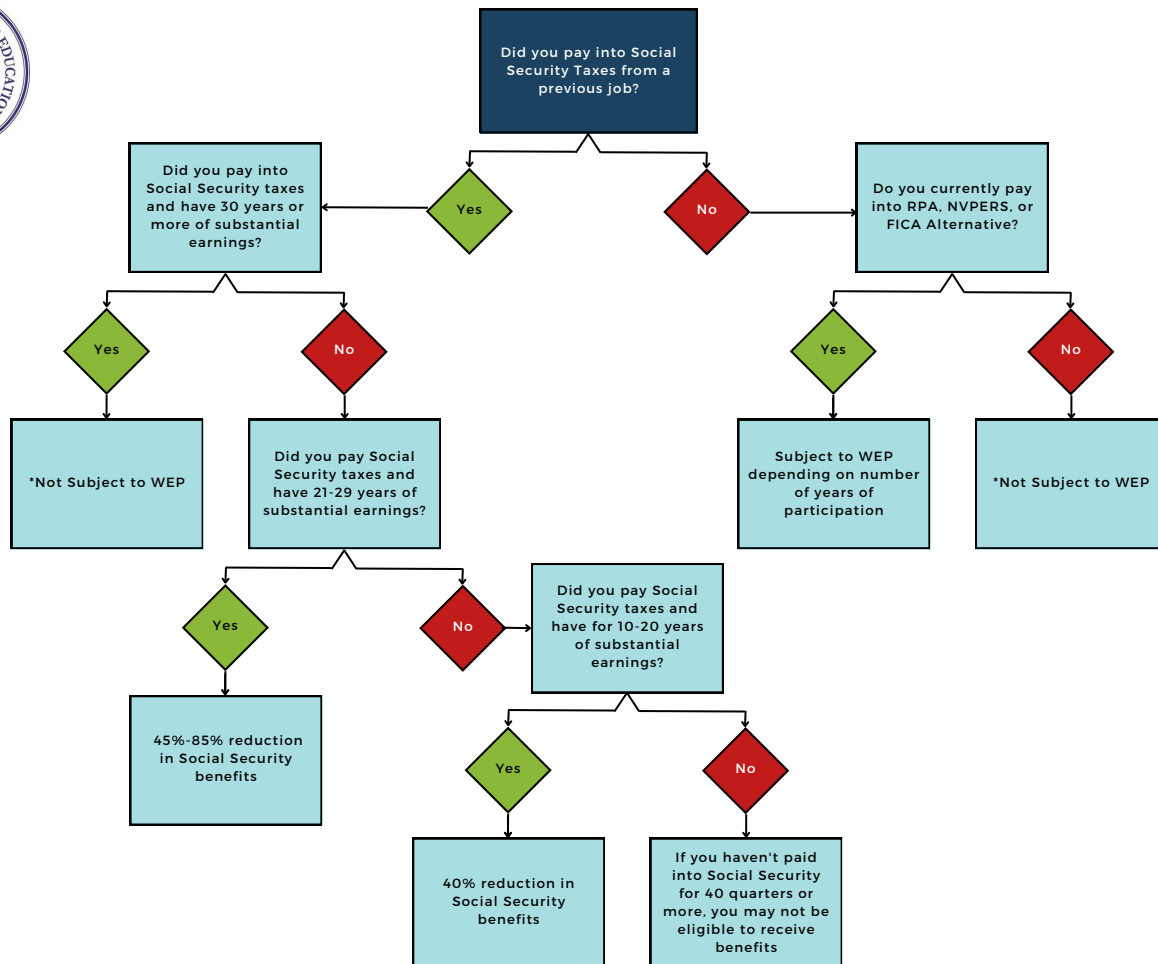
Windfall Elimination Provision FAQ at www.ssa.gov/pubs/EN-05-10045.pdf

Windfall Elimination retirement planner at www.ssa.gov/benefits/retirement/planner/wep.html includes a WEP online calculator as well as examples of how the provision is enacted



This information serves solely for educational or informational purposes and does not constitute legal or financial advice concerning the Windfall Elimination Provision (WEP). It does not constitute guidance under the Social Security Act or any related regulations. This information does not consider the specific circumstances or objectives of any individual affected by the WEP, nor does it propose any particular course of action.





*May still be subject if you worked for a government or state employer prior to working for NSHE.

An accessible version of this flowchart is available on the [NSHE website](#). You can also request an accessible version of this flowchart by emailing bholmes-gull@nshe.nevada.edu

WEP Benefit Reduction Examples

To understand how the WEP alters Social Security benefits, consider a hypothetical NSHE Faculty/Staff/Professional



Example 1: A worker worked for NSHE for 20 years and earned a retirement benefit (RPA/NVPERS/FICA Alternative). This worker also worked in the private sector for 12 years, with some years before and after her career. After looking on the SSA website, she sees her unreduced Social Security benefit is \$2,000. The worker qualifies for Social Security and meets the covered earnings criteria. The WEP applies to her Social Security benefits. Because her years in the private sector were 12 years, she is entitled to 40% of the first \$1,115 of her benefit (40% is the rate for 20 or less years of substantial earnings). Note that the WEP only affects that first portion (\$1,115) of her benefit.

Example 2: A worker starts her career teaching at a NSHE institution that did not participate in Social Security but leaves NSHE after four years. She spends the rest of her career (30 years) in the private sector. After looking on the SSA website, she sees her unreduced Social Security benefit is \$2,000. The worker qualifies for Social Security and meets the covered earnings criteria. Because she has earned 30 years of substantial earnings in the private sector, she is entitled to 90% of the first \$1,115 of her benefit (90% is the percentage for those who do not meet WEP criteria). Note that the WEP only affects that first portion (\$1,115) of her benefit.

COMPARING SOCIAL SECURITY BENEFITS MODIFIED OR NOT BY THE WEP (2023)

Example 1: Faculty/Staff with RPA/NVPERS/FICA ALT & WEP

- 40% of the first \$1,115 earnings = \$446 +
- 32% of the remaining \$885 (\$2,000-\$1,115) = \$283
- Social Security total = \$729 / month +
- Value of the RPA Pension, NVPERS Pension, FICA ALT earned

Example 2: Faculty/Staff with 30 years of SSA participation

- 90% of the first \$1,115 earnings = \$1,003 +
- 32% of the remaining \$885 (\$2,000-\$1,115) = \$283
- Social Security total = \$1,286 / month
- No pension benefit earned